

AUGUST 1, 1937



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Sales Management

- ★ The 1937 Answer to Macy's Stand on Price-Maintenance—By William H. Ingersoll
- ★ Competitors "Help" Oldetyme to Strengthen Sales Methods—By L. M. Hughes
- ★ Are Grocery Wholesalers Digging Their Own Graves by Pushing Private Brands?
- ★ What Are the Most Popular Stations for Spot Radio Programs? A New Survey
- ★ Significant Trends —Sales Letters—A New MRCA Survey—Future Sales Ratings

THE MAGAZINE OF MODERN MARKETING



The Situation

IS WELL IN HAND

Her business paper is
GOOD HOUSEKEEPING

GOOD HOUSEKEEPING is many things to many of its readers, but to *all* its readers it's one thing—*indispensable*. With Good Housekeeping in the home, the situation is always *well in hand*, whether it's whipping up something special for an important though unexpected guest, surmounting a beauty dilemma just before the party starts, or solving a particularly difficult decorating problem. For Good Housekeeping is more than a woman's magazine; it's unique in the entire magazine field . . . being *the* business paper to America's largest business—housekeeping.

Because Good Housekeeping is indispensable, because Good Housekeeping helps women to do a better job in running their lives as well as their homes, millions of women gladly pay more—25 cents—for Good Housekeeping. And they get more in return—Good Housekeeping never skimps, never cuts down its editorial content regardless of advertising content. For Good Housekeeping knows *good housekeepers* have their jobs to do—come what may, every day.

And the doing of their jobs entails much ado about buying. And again to Good Housekeeping they look—look everywhere, in the advertising columns as well as the editorial columns . . . for over 2,100,000 readers have faith in every word that's printed in Good Housekeeping. That's why, today Good Housekeeping is the largest, most important business paper in America—indispensable to its readers and to advertisers.

Good Housekeeping

EVERYWOMAN'S MAGAZINE

BUSINESS PAPER TO AMERICA'S LARGEST BUSINESS—HOUSEKEEPING

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On September 12th, 3 great Coast newspapers join **THIS WEEK'S** original 21 papers... Extending its sales influence into more than 5,200,000 homes in 24 key markets from Coast to Coast... And offering a still stronger reason for shrewd advertisers to buy **THIS WEEK**, and get—

MAGAZINE POWER **BOTH** NEWSPAPER SALES PUNCH



8,000,000 Women

When the office boy brings in Harry Singer's business card almost any executive could be pardoned for peeping cautiously, and curiously, through a crack in the door. For Mr. S's bit of pasteboard is designed, with no malice but plenty of forethought, to conjure up giant question marks in any reader's mind.

"Harry Singer," it states in facsimile script, and just below in type, "and Eight Million Women." Below are two lines: "Simplicity Publications, 419 Fourth Ave., N. Y." Only that, and nothing more.

Once inside the inner sanctum, where he is almost invariably invited, Mr. Singer, Simplicity's advertising manager, is happy to explain that the 8,000,000 females are the readers of his fashion pattern magazines. The company, he amplifies, has 64% of America's pattern industry in its vest pocket. The 8,000,000 figure represents "voluntary pick-up," not "throw-away distribution" at the point of sale. From there he glides right into an exposition of advertising rates, etc.

Sure, it's a calling card catch-line, he admits. And it catches the attention of everyone on whom he's tried it. Crashing guarded doors is simplicity itself with such a teaser.

"Spin Game"—with a Lesson

Two million copies of a "spin game" were delivered to the Standard Oil Co., of Indiana, early in July. Called the "Red Crown Game," distribution to the public was started on July 22. Printed in full colors, the game was routed through the 23,000 dealers in 13 states distributing the company's products.

Standard stood all costs, giving the games without charge to the dealers who presented them to customers. The object was good will and what goes with it. The game is a variation of one children and young people have played for years. This is how it works:

Six automobiles, each die-cut, each a different color, are pressed out of the margin of the cardboard game. Each player lines up his car at the starting point of a winding 1,010-mile trail. Each player in turn snaps the spinner and it stops on some space marked from 10 to 60.

The spinning player then moves his car along the road as indicated. The excitement comes from the penalties and hazards, or the directions to advance a certain number of spaces as rewards. These penalties and awards are, in reality, deftly worded lessons in safe motor car driving. And that, of course, is the point of the game.

Samples are as follows—

"You drove slower on wet road to reduce danger of skidding—go ahead 10 miles.

"You stopped at road intersection. Observing stop signs saves lives. Go ahead 30 miles.

"You kept in low gear too long thus using 100% too much gasoline. Go back 10 miles.

"Car needs lubrication. Lack of proper lubrication results in engine failure and loss of mileage. Go back 10 miles.

"You passed railroad without stopping. Go back 50 miles.

"You failed to have oil changed after driving 1,000 miles. Go back 70 miles.

"You had tires inflated at Standard Oil station and so get longer mileage. Go ahead 10 miles."

Ten car loads of paper, 2,000 pounds of ink and 12,000 pounds of spinners were used by the manufacturers in making the game and it has been figured out that every family of every car owner in the company's territory can play it at the same time.

"The game was designed to dramatize the importance of safe and economical driving," said President Seubert. "Of course, we expect to get advertising value out of it. We think that lessons learned in fun are remembered. If we can advertise, increase sales, and save lives at the same time, well, it's a pretty good idea, isn't it?"

Studebaker vs. Arrowheads

Bill Jenkins is a Studebaker dealer in Tyler, Texas. But when people come in to look at new cars or the radios, ranges and refrigerators that Bill sells he offers them an added attraction. Not a movie or a burlesque show, but a collection of Indian relics.

Not long ago Bill opened a new show room in Tyler. To make it a little different from other automobile showrooms he lined its walls with glass case after glass case of tomahawks, pipes, pottery, etc: 10,000 items of historical and prehistorical interest that he had dug up from the good earth of the southern states. Maybe his relics don't make up the biggest collection of Indian memorabilia in the world, but Bill claims it's one of the most complete collections this side of the Atlantic and the other side of the Pacific.

Indians have been a hobby with Bill Jenkins ever since he was a boy back in Tennessee. He lived near the Cherokee Indian reservation and, like most boys will, started collecting arrowheads and other Indian articles. So absorbing grew his interest that, unlike most other boys, he didn't get tired of his collection. He kept on digging for arrowheads. Then he started travelling, covered Texas, Arkansas, Tennessee, Oklahoma, Alabama, Missouri and most of the Middle West for interesting and unusual items.

Bill's collection includes almost every sphere of activity of prehistoric man and Indian that could leave tangible traces. In-



He's really a Studebaker salesman

SALES MANAGEMENT, published semi-monthly, on the first and fifteenth, except in April and October, when it is published three times a month and dated the first, tenth and twentieth; copyright August 1, 1937, by Sales Management, Inc., 420 Lexington Avenue, New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the act of March 3, 1879. August 1, 1937. Volume XLI. No. 3.

The measure of value of advertising in a newspaper is the honesty of the news that surrounds it.

Trusting the news, people naturally trust the advertising. Which is the dominant reason why advertising in

- **The Christian Science Monitor has proved successful for thousands of advertisers.**

The Christian Science Monitor is a daily newspaper for all the family, published by The Christian Science Publishing Society, at One, Norway St., Boston, Massachusetts. Its New York office is at 500 Fifth Avenue. Other branch offices are located in Chicago, Detroit, St. Louis, Kansas City, San Francisco, Los Angeles, Seattle and Miami. European offices are in London, Paris and Geneva.

A Study of SPOT

On page 34 of this issue you will find a study of spot radio. RADIO SALES—a division of the Columbia Broadcasting System—looms large in this study (not by name, of course) because it is one of the largest sellers of national spot radio advertising in the business.

You will find the stations represented by RADIO SALES high up in the list of the 50 most popular stations used by spot advertisers. Each is operated by Columbia:

WBBM . . . Chicago	50,000 watts
KMOX . . . St. Louis	50,000 watts
WCCO . . . Minneapolis-St. Paul . . .	50,000 watts
WBT . . . Charlotte	50,000 watts
KNX . . . Los Angeles	50,000 watts
WJSV . . . Washington	10,000 watts
WEEI . . . Boston	1,000 watts-5,000 watts
	night day
WKRC . . . Cincinnati	1,000 watts-5,000 watts
	night day

And WABC, New York (50,000 watts), which accepts only a limited amount of spot business.

Of the 30-odd clients of RADIO SALES the following 19 are found in *Sales Management's* list of the 25 largest users of spot radio:

Bulova Watch Co.	Lever Bros., Inc.
Standard Oil of N. J.	Larus Bros.
Chevrolet Motor Co.	Kroger Gro. & Baking Co.
Penn Tobacco Co.	Webster-Eisenlohr, Inc.
General Mills, Inc.	Curtiss Candy Co.
The Wander Co.	Purity Bakeries Corp.
Olson Rug Co.	Miles Laboratories, Inc.
Tidewater Oil Co.	Reid, Murdock & Co.
Plough, Inc.	Illinois Meat Co.
Consolidated Drug Trade Products, Inc.	

When you want radio in any or all of the nine markets where the Columbia Broadcasting System operates a station, consult RADIO SALES.

RADIO SALES—NEW YORK, 485 Madison Ave., CHICAGO, 410 N. Michigan Ave., DETROIT, Fisher Bldg., LOS ANGELES, 5939 Sunset Boulevard, SAN FRANCISCO, 601 Russ Building.

dian boatstones and bannerstones—pieces of polished blue grey rock, the use of which is unknown—spear and arrowheads of petrified wood, drills of bone and flint, and a large collection of pipes and pottery. He has copper beads, mysterious objects called "corner Tang knives," axe- and hammer-heads from prehistoric times, ear plugs, water bottles, and a couple of grisley skulls that were washed out of a graveyard near Waco.

Bill loves his collection. His only complaint is that people who come in to look at Studebakers sometimes find it so interesting that it takes a couple of hours to drag them away and start his sales talk.

Improving Only Each Shining Hour

"We advertise only in the sunshiny hours" seems to have become the policy of the Cook Paint & Varnish Co., of Kansas City. The Cook Co. has scheduled a campaign to run in 36 cities in the Middle-West with the reservation that the advertising shall appear only on days that the weather bureau predicts will be "clear."

The reason given is that the public doesn't buy paints on rainy days or cloudy days, but that when the weather is "bright and fair" there's a rush to the paint stores. The idea is to catch 'em in the buying mood; strike when the sun's hot, in other words. The advertising is placed by Ferry-Hanly through its K.C. office.

Mushroom Sales Mushroom

Salesmen of the Dallas Mushroom Packing Co. are not afraid of getting their hands dirty. Before they go out on the road to sell 250,000 pounds a year of the feather-light delicacy—which is the firm's goal—they have to learn all about mushrooms from the ground up, literally. And that means dirt on the hands.

Two years ago when R. L. Smith, former Pacific Coast fruit and vegetable dealer, and L. A. Hughes, veteran mushroom merchandiser, took over the plant they hoped for an 80,000 to 100,000 pound yearly output. That mark has been passed along since. Fresh and canned mushroom sales are doubling almost overnight.

Production facilities are being doubled, too. The cannery, the offices, and the seven mushroom houses, with 5,500 square feet of bed space in each, are getting additions. Mr. Smith is dickering with surrounding landowners for still more space.

Next on his program is a sales training course for the men who are now helping grow mushrooms, and an advertising campaign. Both are just over the horizon. Currently production advances are occupying his attention.

Raising mushrooms in Summer is more tedious and more expensive than in Winter, but during any season it's as ticklish a job as raising a baby. Controlled temperature of 58 to 62 degrees are essential, which means Summer refrigeration and Winter gas heat.

Small mushroom "buttons" are canned under the brand name "Delicious." Waples-Platter, Dallas grocery jobbers, are one of the major outlets for the product. Sales territory extends from Phoenix, Ariz., to New Orleans.

However, fresh mushrooms are the company's best profit-maker, though they are perishable and must be moved daily. As a rule, the larger the mushroom the more it costs. Because they weigh so little, there are several dozen mushrooms in the ventilated pound and half-pound boxes in which they travel to hotels, groceries, and restaurants over the Southwest. Prices are fairly stable at from 45 to 50 cents a pound. As soon as he can speed up production, Mr. Smith will ship mushrooms as far East as freight rates will allow, and to New York—where water transport will jump the cost only a few cents beyond the Texas figure.

Meantime Dallas Mushroom Packing Co. salesmen-to-be are sorting and grading their merchandise in rooms not unlike farm henhouses. They take the spawn, crumble it into small bits, and place these pieces at regular intervals in compost beds. Some 42 days later they pass down the dark aisles between beds with a small oil lamp and select the buttons to be picked. A special twist of the wrist must be learned in picking.

All of this down-to-earth experience will enable them to talk with authority to buyers. Mushrooms won't be a series of pictures in a sales manual when they encounter a tough customer who wants to know this, that, and t'other.



Indianapolis Means Business!

—FOR GASOLINE AND OIL ADVERTISERS

4 OUT OF **5**

DOLLARS SPENT IN
INDIANAPOLIS FILLING
STATIONS ARE SPENT
BY READERS OF

If you are seeking greater profits in Indianapolis and Central Indiana—where gasoline and oil sales are reaching new peaks—advertise to The News audience (91,863 in Indianapolis, 63,157 in the Indianapolis Radius). Only The News is necessary to effectively cover this market.

THE INDIANAPOLIS NEWS

New York: Dan. A. Carroll • 110 E. 42nd Street

Chicago: J. E. Lutz • 435 N. Michigan Ave.

AUGUST 1, 1937

[5]

Sales Management

VOL. XLI. NO. 3

AUGUST 1, 1937

CONTENTS

Advertising

- Bright Advertising Angles for a Lost-in-the-Shuffle Product..... 17
- Long Beach Finds Advertising Pays; Launches 5th Year's Campaign..... 24
- What Are the Most Popular Stations for Spot Radio Programs?..... 34

Fair Trade, Etc.

- FTC Issues "Desist" Orders in First R-P Act Cases..... 24

General

- "Please Make This Gadget for Me, Mr Manufacturer."..... 40
*The 51st of a series of surveys made exclusively for SALES MANAGEMENT
by the Market Research Corporation of America*
- Significant Trends 15

National vs. Private Brands

- Are Grocery Jobbers Digging Their Own Graves by Pushing Private Labels? 36
The second of two articles by Fred J. Wright
- The 1937 Answer to Macy's..... 18
By William H. Ingersoll

Operating Salesmen

- Bus, Train and Plane Rate Study Shows "Dollar-Hour" Travel Costs 20
- Competitors "Help" Oldetime to Strengthen Sales Methods 26
By Laurence M. Hughes

Departments and Services

- Comment 56
- Magazine and Radio Expenditures, July and Year to Date..... 48
- Media and Agencies..... 50
- Sales Letters..... 53
- SALES MANAGEMENT'S Future Sales Ratings 12
- The Human Side..... 2
- The Scratch-Pad..... 22
- Tips 54

Notes from the Managing Editor's Desk

Regardless of whether you agree with him, we think you will find Mr. Ingersoll's article in this issue one of the most interesting discussions we've printed this year on the controversial phases of fair trade legislation. Mr. Ingersoll is recognized the country over as an outstanding authority on the subject.

Mr. Brass E. Tacks, who has been writing such lively articles on space buying, will be with us regularly as a contributor from now on. You'll find another of his pointed discussions in the next issue.

To all ye who crave new figures on automobile allowances: A new study is under way and the final compilation will come to you as part of the "Managing Salesmen in 1938" issue, published October 10. We can give you now, however, this tid-bit of information: The average mileage allowance of 33 companies whose men own their own cars is \$0.453.

Also in the works for the same issue: A new study on incentive factors in salesmen's compensation.

In your next issue: The report from drug jobbers on the effects of the Robinson-Patman Act.

—A. R. HAHN.



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LOUISVILLE BUSINESS CONTINUES TO GAIN!

During the first weeks of July business activity continued well above normal in the Greater Louisville Market, Kentuckiana. Louisville, the trade center of this area, reported that average retail sales continued to show an increase in volume over a year ago in many commodities. With wearing apparel and furniture sales leading the advance, averages ran around 20% above this time a year ago. Slight recession was reported in wholesale sales and the volume was reported to be running from 18 to 20% higher than last year . . . Building permits for June totaled \$650,191, an increase of more than 300% over June 1936 and the largest since June 1930 . . . Manufacturing operations in many plants in this district reported operations well above seasonal levels, some stating that their volume is so heavy that they will omit usual Summer shutdowns . . . These prosperous conditions make the sales opportunities for your product in this market unlimited and your promotion can be done effectively and at a small cost thru the only media which effectively cover this area . . .

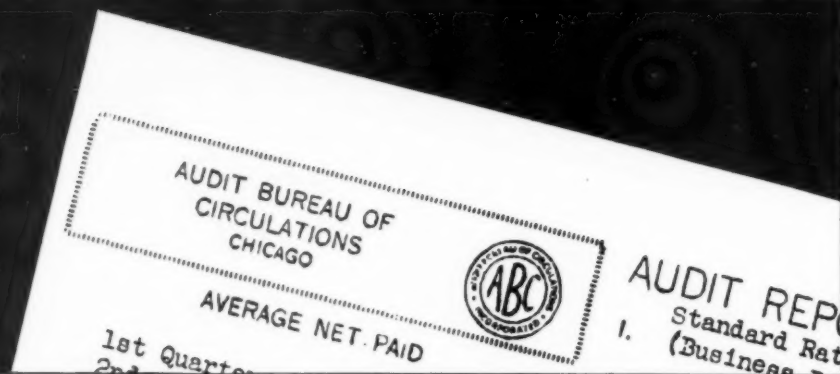
THE COURIER-JOURNAL THE LOUISVILLE TIMES

REPRESENTED NATIONALLY BY THE BRANHAM COMPANY

WHAS

EDWARD PETRY & COMPANY
National Representatives

**VALUES WHICH
A.B.C. REPORTS
CAN'T SHOW...**



523,646 REPRINTS

*of Sales Management Editorial Pages Bought
by Sales Executive Readers in One Year!*

Sales Executive readers of SALES MANAGEMENT purchased a grand total of 523,646 reprints of pages and articles from the 26 issues of the magazine published between May 1st, 1936, and April 31st, 1937, our fiscal year. **AVERAGE: 20,400 REPRINTS PER ISSUE.**

The second quarter of the current year 1937 shows an *all-time reprint purchase high.*

Sales Executives of the firms listed below, and to the right were among those ordering reprints.

Electrified reader interest doesn't show in A.B.C. reports; yet it means an increased measure of advertising value to SALES MANAGEMENT advertisers.

Exclusive editorial content is one explanation; *useful* editorial content is another.

SALES MANAGEMENT, 420 Lexington Avenue, NEW YORK CITY.

Durkee Famous Foods
Hills Bros. Coffee, Inc.
Geo. A. Hormel & Co.
Libby, McNeill & Libby
Quaker State Oil Refining Co.
General Cigar Co.
Hood Rubber Products Co.
National Distillers Products Co.
Phileo Radio & Television Corp.
Singer Sewing Machine Co.
The Wahl Co.
United States Rubber Co.
General Electric Co.
Raybestos-Manhattan Co.
Remington Arms Co.
Johns-Manville Corp.
Westinghouse Elec. & Mfg. Co.
Chevrolet Motor Co.
Colgate-Palmolive-Peet Co.

Congoleum-Nairn Co.
Devoe & Raynolds Co., Inc.
Kelly-Springfield Tire Co.
Otis Elevator Co.
Autopoint Co.
Bigelow-Sanford Carpet Co.
Norwich Pharmacal Co.
Packard Motor Car Co.
Sherwin-Williams Co.
Ivanhoe Foods, Inc.
Socony Vacuum Oil Co.
American Radiator Co.
Shaw Walker Co.
E. R. Squibb & Sons
The Texas Co.
Coca-Cola Bottling Co.
International Harvester Co.
Goodyear Tire & Rubber Co.
Parke Davis & Co.
Underwood Elliott Fisher Co.
Wm. Wrigley, Jr. Co.
National Lead Co.
Standard Brands, Inc.
National Biscuit Co.
Pittsburgh Plate Glass Co.
Wesson Oil & Snowdrift Sales Co.
Crosse & Blackwell
Eureka Vacuum Cleaner Co.
Kellogg Sales Co.
National Carbon Co.
Procter & Gamble Co.



**DON'T YOU GET
THEM MIXED**



1 "Mrs. Youngmother? This is Harriet Youngthing. That drug store's gone and got us mixed up *again*. There's another perfectly *enormous* package of stuff here for you."



2 "Yes, and they've sent me your butterscotch caramels. Isn't it annoying?"



3 "Wouldn't you think just the difference in the size of our orders would keep them straight? Why, with that family of yours, you must buy more stuff every week than I buy in a *year*."



4 "Yes, a family does make S-O-M-E difference in your drug bill... just you wait and see!"

*D*on't *you* get mixed up about who buys the most drug store products. It isn't just "women"... it's a special *kind* of women. It's the women who are running homes, bringing up children... these and nobody else. How to reach these biggest drug store spenders?... your advertising will pay out best in The American Home. *This* magazine is read *only* by people who have homes to run—there's not a paragraph in it to interest anyone else.

AUGUST 1, 1937

This magazine reaches a higher percentage of families with children between 5 and 18 years of age* than *any* other magazine. Sell these mothers, these family buyers, and you're selling the big money without waste.

* As proved by R. L. Polk-Daniel
Starch Surveys, combined.

The **AMERICAN HOME** *There's no place like*
for advertisers who sell anything for the home

"Won't you have



some...Madam?"

THE AUGUST
ISSUE SELLS:



A COMPASS DINNER

Recipes from coast to coast, gathered up by Elizabeth Woody. Her mail comes from coast to coast, too. Here she is at her desk, suggesting new things to serve. August McCall's carries the advertising of 35 successful grocery products.

THIS YOUNG MAN is getting nothing to eat because he's not a "consumer." Actually, he could consume the whole demonstration and feels hungry enough to try it! But, categorically, he's a producer. Man is always the producer . . . woman, the consumer. And this demonstrator, who is smart enough to know that *Madam* is her market, plays straight for a woman's attention.

But what about the advertiser? Is he always so direct in his approach? His job is not alone to sell the consumer, but to sell her on *consuming*. Because when goods are kept moving, from the shop to the shopping bag, there's no pile-up of overproduction.

McCall's Magazine is proud of its part in expanding the consumption and purchase of food in 2,650,000 families. And these McCall readers cook and serve nearly 8,000,000 meals per day! During 1936 and the first half of 1937, McCall's published more columns of food articles than any other woman's magazine. On these pages, food is projected with as much color and vivacity as fashions or fiction.

McCall's food pages are backed up by the best Home Appliance Program in the magazine field! Not just laboratory testing, but Field Editor reports and home interviews and actual use-experience make McCall articles more accurate, helpful and interesting. That's why McCall's is better read. And why its advertising columns get action! The McCall Corporation, 230 Park Avenue, New York, N. Y.



BABY'S SUMMER DIET

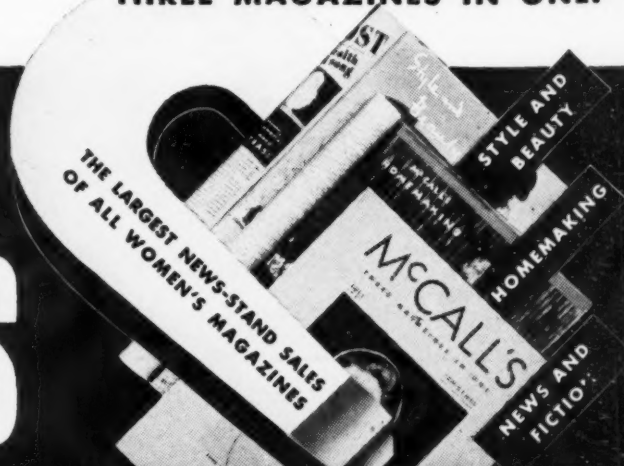
McCall families are the real kind, with Youngsters Who Need Everything. Dr. Kerley talks to mothers, and Demetria Taylor (above), who holds an M.A. in Nutrition, heads the McCall Kitchens.



FARMHOUSE KITCHENS

modernized with the new kerosene cooking-range and refrigerator, and decorated as prettily as a pent-house! Everybody's getting new equipment. Here's Gertrude Lynn baking cake in McCall's new Test Kitchens, 39 floors up in a skyscraper!

THREE MAGAZINES IN ONE!



Magnetic
McCALL'S

Sales Management's Future Sales Ratings

KEY TO RELATIVE SALES OUTLOOK RATING

- ★★★★★ Best Relative Outlook
- ★★★★ Very Good Relative Outlook
- ★★★ Good (Medium) Relative Outlook
- ★★ Fair Relative Outlook
- ★ Least Impressive Relative Outlook

NOTE: This compilation is based on the relative position of one industry compared with all industries. In other words, an industry marked ★★ may have very good prospects in relation to its preceding year's volume, but its percentage increase may be slight compared with another industry marked ★★★★★.

	Sales Prospect for Aug., Sept. & Oct.	Sales Prospect for Next 12 Months		Sales Prospect for Aug., Sept. & Oct.	Sales Prospect for Next 12 Months
Advertising.....	★★★★	★★★★	Lawyers' Income.....	★★★	★★★
Air Conditioning.....	★★★★★	★★★★★	Liquor (Alcoholic Bev- erages).....	★★	★★
Aircraft (Sales of Air- planes).....	★★★★★	★★★★★	Luggage.....	★★★	★★★
Aircraft (Passenger Travel).....	★★★	★★★	Machine Tools.....	★★★★★	★★★★★
Autos (New Car Sales).....	★★★	★★★	Machinery (Agr'l.)....	★★★★★	★★★★★
Auto Tires.....	★★★★	★★★★	Machinery (Ind'l.)....	★★★★★	★★★★★
Baked Goods (Bread)....	★★★	★★★	Meats.....	★★★	★★★
Baked Goods (Specialty)	★★★	★★★	Metal Containers.....	★★★★	★★★★
Banks (Revenues).....	★★	★★	Motion Picture Receipts	★★★★	★★★★
Beer.....	★★★	★★★	Musical Instruments...	★★★★	★★★★
Building Materials.....	★★★★★	★★★★★	Office Equipment.....	★★★★★	★★★★★
Candy & Chewing Gum...	★★	★★	Oil (Cooking).....	★	★
Canned Fruits and Vegetables.....	★★	★★★	Paint.....	★★★★	★★★★
Cereals.....	★	★	Paper (Newsprint)....	★★★	★★★
Chemicals (Misc.).....	★★★	★★★	Paper (Wrapping).....	★★★	★★★
Cigarettes.....	★★★	★★	Photographic Supplies..	★★★★	★★★★
Cigars.....	★	★	Physicians' and Den- tists' Income.....	★★	★★
Clothing (Men's, Women's, Children's)	★★★★	★★★★	Plastics.....	★★★★★	★★★★★
Coal (Anthracite).....	★	★	Printing and Publishing Equipment.....	★★★★	★★★★
Coal (Bituminous).....	★	★★★	Radios.....	★★	★★
Cosmetics.....	★★	★★	Railroad Equipment...	★★★★★	★★★★★
Cotton Textiles.....	★★	★★	Railroad (Net Income)..	★★★	★★
Dairy Products.....	★★	★★	Rayon Textiles.....	★★★★	★★★★
Department Stores.....	★★★	★★★	Real Estate Rentals...	★★★	★★★
Diesel Engines.....	★★★★★	★★★★★	Refrigerators.....	★★★	★★
Drugs and Medicine...	★	★	Restaurants.....	★★★	★★★
Electrical Equipment (Heavy).....	★★★★★	★★★★★	Rural Stores.....	★★★★★	★★★★★
Electrical Equipment (Light).....	★★★	★★★	Shipbuilding.....	★★★★★	★★★★★
Exports.....	★★★★★	★★★★★	Shoes.....	★★★	★★★
Flour.....	★	★	Silk Textiles.....	★★	★★
Furs.....	★★★	★★★	Soap.....	★★★	★★★
Gasoline and Oil.....	★★★	★★★	Soft Drinks.....	★★★	★★
Glass (Plate).....	★	★	Sporting Goods.....	★★★★★	★★★★
Groceries.....	★	★	Stationery (Commercial).....	★★★	★★★
Hardware.....	★★★★★	★★★★★	Steel and Iron.....	★★★★	★★★★
Hotels.....	★★★	★★★	Sugar.....	★★	★★
HouseFurnishings (Floor Coverings, Furniture, Beds, etc.).....	★★★★★	★★★★★	Toothpaste and Mouth Washes.....	★	★
Household Products (Kitchenware and Miscellaneous).....	★★★	★★★	Toys and Games.....	★★★	★★★
Imports.....	★★★★★	★★★★★	Trailers (Auto).....	★★★★★	★★★★★
Insurance (Misc.).....	★★	★★	Travel (Sea).....	★★★★	★★★★
Jewelry.....	★★★	★★★	Trucks.....	★★	★★
Laundry.....	★★	★★	Utilities—Electric....	★★	★★
			Utilities—Gas.....	★	★
			Utilities—Telegraph...	★★	★★
			Utilities—Telephone...	★★	★★
			Washing Machines.....	★★★	★★★
			Woolen Textiles.....	★★★	★★★

Prepared by Peter B. B. ANDREWS, and specially copyrighted by SALES MANAGEMENT, INC. Reprints of this page are available at 5 cents each, minimum order, \$1.00. 20% discount on standing orders for 25 or more monthly. SALES MANAGEMENT, INC., 420 Lexington Avenue, New York, N. Y.

Plant Expansion Is Necessary If Sales Are to Rise Further

The surprising vitality of business in recent months in spite of labor troubles, higher costs and various other drawbacks, has reflected to a considerable extent the unusually heavy backlogs of unfilled business enjoyed by many industries. As a matter of fact, the point has been reached, or shortly will be reached, where production limitations will be having a definite bearing on sales. In some industries such as rayon and (earlier this year) steel, this situation has been reached.

Naturally, a record has been established in some industries which have been operating at capacity or near capacity that can hardly be surpassed unless plant additions are made, permitting larger production and therefore larger sales. Extensive factory expansion has been delayed by uncertainty over the labor and legislative situations, but as sentiment improves it is likely that a substantial wave of this type of construction will be seen.

This situation has been reflected in several downward revisions in ratings of certain capacity-operating industries, which cannot expect to expand their sales greatly over those of this year and late 1936 unless enlarged plant facilities permit them to place more of their products on the market. Among these are machine tools, office equipment, railroad equipment, steel and iron.

It is impressive to observe that retail sales have decisively exceeded those of 1930 and are not far from the 1929 level in spite of comparatively minor stimulation from the giant building industry. This is a considerable factor in analysis of the longer term business future, in that from this source general business at some time will be heavily benefited. It is reasonable to assume that development of a real construction boom should bring with it a general prosperity substantially above the level of 1929.

Analysis of facts and figures and a careful check of ratings by an editorial board of over 25 authorities, have resulted in the following realignment of industries:

Relative Ranking (Near Term)

- 19—Best Relative Outlook
- 12—Very Good Relative Outlook
- 29—Good (Medium) Relative Outlook
- 18—Fair Relative Outlook
- 11—Least Impressive Relative Outlook

SALES MANAGEMENT



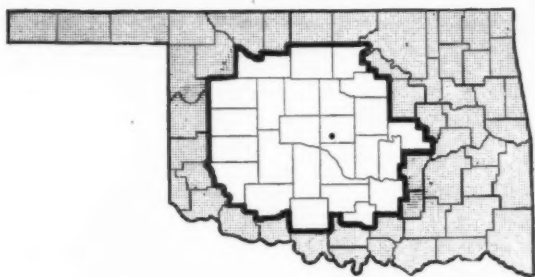
**"WHAT DO
YOU MEAN-
The
Impressible
Market?"**

Let's take a look at Webster—who says: "IMPRESSIBLE—capable of being impressed; susceptible; sensitive."

In terms of advertising results "The Impressible Market" is a market of open minded people who are impressed by the advertiser's message to the extent of making actual purchases.

The state of Oklahoma is distinctly an impressible market because it is a new market. Even today more than 49% of the people in Oklahoma were born in other states (nearly 20% more than the nation's average); they have adopted Oklahoma and its open-minded attitude of modern consumers. Modern pioneers, Oklahomans allow no old-fashioned taboos to interfere with modern ways of living. Their habits and customs are the reflections of the advice and admonishments of modern advertising.

Watch this magazine for ACTUAL proof of how distribution and sales are attained by new products, unusual products, staple products in this impressible market . . . through the market's chief medium — The Oklahoman and Times.



OKLAHOMA PUBLISHING CO.
THE FARMER-STOCKMAN RADIO WKY
MISTLETOE EXPRESS

**THE DAILY OKLAHOMAN
OKLAHOMA CITY TIMES**

NATIONAL REPRESENTATIVE— E. KATZ SPECIAL ADVERTISING AGENCY
AUGUST 1, 1937

[13]

The South

A Six Billion Dollar Market 47.3% Rural



With \$6,121,047,000 in Total Retail Sales—

The 14 Southern States Produce:

18.5% of the Nation's Total Retail Sales.

28.6% of the Nation's Sales in Towns under 10,000.

28.9% of the Nation's Sales in Towns under 2,500.

Of all retail sales in the South 47.3% are made in towns of less than 10,000 population.



It is in places under 10,000 where farmers of the South—with an annual cash income of nearly two billion dollars—do most of their buying.

This is the market best reached through Progressive Farmer with its more than 940,000 circulation (net paid) in the 14 Southern states. Economy of wide coverage, the influence of 5 separate editions, edited at Raleigh, Birmingham, Memphis and Dallas, and the strong prestige built up in 50 years of constant, loyal service to the people who constitute the big rural market of the South, make Progressive Farmer a most profitable medium for advertisers in this market. For detailed information write or call the Progressive Farmer office nearest you.

Progressive Farmer and Southern Ruralist

BIRMINGHAM

RALEIGH

MEMPHIS

DALLAS

250 Park Avenue, NEW YORK

Daily News Bldg., CHICAGO

"IN THE RURAL SOUTH, IT'S PROGRESSIVE FARMER"

Significant Trends

As seen by the Editors of SALES MANAGEMENT for the fortnight ending August 1, 1937:

Chains and Farmers

Are the chain stores deliberately—and cleverly—building good will with the farmers? The National Association of Food Chains has chosen fresh pears for its next nation-wide promotion campaign. This must be another chapter in a broad chain program to aid in marketing farmers' surplus crops through the concentrated backing of more than 40,000 retail chain outlets.

• • • Fresh milk is being sold in a variety of chain outlets—not only the food chains, but in drug stores and in 5 & 10 outlets. Does this pushing of farm commodities change the farmer's attitude toward chains? Reports from California indicate that farm votes killed anti-chain store legislation.

• • • The farmer as a legislator is described in a new brochure of *Country Home* magazine called "A Friend in Court." One of the surveys shows that 47% of state legislators come from towns under 2,500 and from the farms. It seems to be true that it is a good idea to keep in with the farmers if you want legislation which will help your industry or if you want to head off adverse legislation.

• • • Now that legislation on Supreme Court changes has been tabled for the session, a number of bills which seemed to be lost in the legislative log jam are likely to go through. One of the most important to marketing executives is the Miller-Tydings Fair Trade Bill. Three months ago President Roosevelt sidetracked it, but now it seems to have Administration approval and has been hitched to a tax bill for the District of Columbia which passed the Senate on July 24.

• • • Current releases of the urban study of consumer purchases indicate clearly the great importance of selecting markets for intensive cultivation. The releases of one day show the following large variations in median family incomes:

	Income, Native White Families
Albany, Ga.	\$1,653
Beaver Falls, Pa.	1,283
Connellsville, Pa.	1,230
Logansport, Ind.	1,136
Mattoon, Ill.	1,036
Omaha-Council Bluffs	1,552
Peru, Ind.	1,152
Wallingford, Conn.	1,590
Willimantic, Conn.	1,334

• • • These figures cover all native white families, both relief and non-relief. The report for Albany, Ga., is especially interesting because of the distinction drawn between white and Negro families. Negro families in that city have a median income of \$392: \$462 among non-relief and \$293 among those on relief. White families paid an average rent of \$19.90, colored families, \$6. White families had an average of 1.37 earners, Negro families, 1.84.

AUGUST 1, 1937

• • • How to open new markets and expand old ones through model wage increase for low income groups is the lesson President Roosevelt hopes to recite to the country from those studies of urban purchasers. . . . Representative samples, picked out by the *Business Barometer* shows:

City	When Income Is:	Expenditures Are:	Conclusion:
Richmond	\$1,200...	\$120 for clothing.	60% income boost
	\$2,000...	\$254 for clothing.	Raises demand 100%
Kan. City	\$ 750...	None have radios.	33% income boost
	\$1,050...	3/4 have radios.	Opens new markets
Birmingham	\$ 750...	59% inside toilets.	33% income boost
	\$1,050...	90% inside toilets.	Raises demand 50%

Looking Ahead the Next 10 Years

A book which is worth while and fascinating reading came last week from

the National Resources Committee, Washington, called "Technological Trends and National Policy," price \$1. The Committee appointed several years ago by President Hoover, called the Research Committee on Social Trends, has been carried over into the Roosevelt Administration as a special sub-committee headed by Dr. William F. Ogburn.

• • • The Committee report is the first one to show the kinds of new inventions which may affect living and working conditions in America in the next 10 to 25 years. The Committee's summary lists the following inventions as being those which are most likely to have important social and economic influence:

1. The mechanical cotton-picker
2. Air-conditioning equipment
3. Plastics
4. The photo-electric cell



Photo by H. M. Lambert, from *Black Star*

The government forecasts the biggest wheat crop in six years. Rarely do we have big farm crops and high prices simultaneously, but we have them this year. Gross farm income should run at least two billion dollars ahead of last year. Time and again bumper crops and good prices have turned the tide of Fall business in this country. The long earloads of wheat being moved today are argosies of gold.

5. Artificial cotton and woolen-like fabrics made from cellulose
6. Synthetic rubber
7. Prefabricated houses
8. Television
9. Facsimile transmission
10. The automobile trailer
11. Gasoline produced from coal
12. Steep-flight aircraft planes
13. Tray agriculture (growing of vegetables in a chemical solution)

• • • The report presents a survey of what is likely to happen in agriculture, mining, transportation, communications, the construction industries, power production, metallurgical and chemical industries, and electrical manufacturing. A Federal committee should be responsible, according to the report, for keeping abreast of technological changes and for forecasting imminent changes that may affect national life. The scientists making the report go back into history for proof of their contention that practically all of the inventions which have greatly affected national life not only could have been predicted, but were predicted, and come to the conclusion that a national planning board might have helped to "ease" those inventions into the social and economic life so that there would have been fewer and less drastic dislocations to labor and business.

• • • During the past few years there has been such rapid improvement in production machines that the volume of production will have to be greater in the future than in 1929 in order to absorb the increase in the working population and keep unemployment to the level of that date. Quoting from the report, "If the productivity of 1935, the latest year for which full figures are available, continues the same in 1937, and the composition of the nation's total product remains unchanged, production would have to be increased 20% over that of 1929 to have as little unemployment as existed then."

R-P Act a Menace?

In one of the news pages of this issue mention is made of the fact that the Federal Trade Commission dismissed a complaint brought under the Robinson-Patman Act against Bird & Son, Inc. Now Philip E. Allen, chairman of the board of that company, comes out with a demand for amendment of the Act so that the Federal Trade Commission may act without a formal complaint.

• • • "Business men the country over must rise up and insist that some way be found to perfect the law so as to allow the Commission to make rulings, approve price differentials and adjust matters without subjecting business men to the ignominy and expense of a formal complaint," says Mr. Allen. "The Act as it now stands is a potential menace to every honest business in this country."

• • • The Act at present provides the safeguard of certain preliminary investigation by the Federal Trade Commission, but it has no power to make rulings or to take authoritative action except after formal complaint has been made; and such complaints may, of course, be made by a competitor either through malice, vindictiveness or ignorance.

• • • As Mr. Allen puts it, "The Robinson-Patman Act doesn't protect an honestly conducted enterprise from false accusation. It doesn't protect an honest but financially weak business from a ruinously expensive investigation."



According to the latest Brookmire estimates, there won't be a single really bad marketing spot in the nation during the next six months. Those readers who have followed these maps over the past year will notice many changes. The solid black (good prospects) area is less concentrated. Marketing men will find more gaps between the good and the fair territories. The most pronounced increases in income seem likely to occur in the agricultural districts, but manufacturing and mining incomes may be expected to hold over the remainder of the year at a level not far from that now prevailing.

• • • Air conditioning has created new markets—and also new problems. The great increase in the use of air-conditioning apparatus has created a rapidly-growing demand for water, and many cities are forced to discourage the installation of equipment because the available supply of water is barely equal to current demand, or because the sewage system cannot care for additional water.

• • • The Bureau of Foreign and Domestic Commerce, with the cooperation of manufacturers of air-conditioning equipment and the water works engineers and other city officials in every city with a population of 100,000 or more, has been studying the subject and the findings were released last week in a bulletin, "Effect of City Water and Sewage Facilities on the Market for Air-Conditioning Equipment."

• • • The report proves that manufacturers of air-conditioning equipment will be forced to localize their sales and promotion efforts and that each metropolitan center must be considered as an individual problem, since temperature, water supply and costs of operation cause great differences in sales potentials. Thirty-eight cities have either taken steps to limit the use of water-using air-conditioning equipment or are considering doing so. Some cities, including Atlanta, Chattanooga, Columbus, Dallas, St. Paul, Scranton and South Bend, are now using the full capacity of their water systems. A dozen others are using from 79 to 95%.

• • • The report indicates a tremendous potential market for water works equipment, sanitary equipment and building and other materials necessary for erecting new plants. Minneapolis, for example, can increase its water sources by 500% and its pumping capacity by 38%, but its present water mains will carry an increase of only 10%. The report is identified as "Market Research Series No. 16" and is priced at 10 cents.

• • • From the pink weekly, *The Nation*, comes a naive tribute to public relations. Quoting from their issue of July 17, "The investigation of the American Telephone & Telegraph Co. by the Federal Communications Commission is now ended. It was hampered throughout by the skill with which the A. T. & T. handled its public relations." Isn't it just too bad that progressive American business institutions have mastered the art of putting their best foot forward?



Bright Advertising Angles for a Lost-in-the-Shuffle Product

PROBLEM: To impress button wholesalers with the difference between machine-made and molded buttons. But what can you do to dramatize so prosaic a clothing accessory?

If you think the answer is "nothing," eye the five mailings turned out by Advertising Manager Allan Brown, of Bakelite, and Rickard & Co.: Five pieces, dated for mailing about two weeks apart. No. 1 reached key button wholesalers July 19. Sales Management features this unique little campaign because it demonstrates so completely that a lively imagination and a flair for salesmanship can find a way to tell an attention-arresting sales story about any product, no matter how lacking in color it may intrinsically be. See how skillfully the prospect is lured into making his own demonstrations, thus selling himself!

Mailing No. 1 (far right, above): "Dip into the Facts about Bakelite Molded Buttons" the button wholesaler is told. "... Just fill this beaker with water, soapsuds or any dry cleaning fluid commonly used by commercial cleaners. Soak these buttons for 24 hours, or a week if you like. Then make the same test on any other kind of button and compare results. You will discover at a

glance the reason why it pays to recommend Bakelite molded buttons."

Mailing No. 2 (center, left): "Here's How to Iron out One Difficulty!" A miniature flatiron dramatizes the point Bakelite wants to put over: The idea that the wholesaler will get no complaints about heat damage on apparel equipped with Bakelite buttons.

Mailing No. 3 (bottom): "Like Peas in a Pod." This time the recipient (who, by now, has probably gotten over being startled at what the mail man brings) finds a folded 15" card in the shape of a



pea-pod carrying four Bakelite buttons and a pair of calipers for measuring their uniform thickness. Uniformity—that's the single sales point chosen for emphasis this time.

Mailing No. 4 (above, left): "Come In. . . See the Boss." A "boss," in case your vocabulary is limited, is a stud, or a thingamajig which provides clearance for the buttonhole, makes sewing-on easier. Arrows point to the "boss" on two buttons mounted on the card. "The boss . . . gives your customers a short cut; gives you an effective sales point."

Mailing No. 5 (top right): "You Might as Well Face It." This chap, who might be a cousin to Charlie McCarthy—he has needles for eyebrows, thread for a nose, buttons for eyes and mouth—hammers home the thought that you can sew more buttons per day by machine when the spread of holes in buttons is absolutely uniform. "You save operators' time, broken needles, and damage to the buttons. With any style of Bakelite molded button, every gross is accurately formed in the same molds. The size and spacing of the holes are identical. . . . That's one of several reasons why it pays to recommend Bakelite molded buttons."

The 1937 Answer to Macy's

No manufacturer of a branded, advertised product can afford to ignore the battle of price-maintenance. R. H. Macy & Co. oppose price control in any form. They buy expensive newspaper space to educate the public to their point of view. The author of this article* dissects their reasoning and finds it lacking in logic.

BY

WILLIAM H. INGERSOLL

ANYONE seeing Macy's spending a great deal of advertising money to notify the public, in effect, that it's no longer any use to come to them to save on many nationally known articles on which they have always heretofore cut prices, would be utterly mistaken if he concluded that this was a token of penance for their past "sins" against price-maintenance.

From time immemorial Macy's have urged people to buy in their store on the assurance that they would save money ("at least 6%") on anything they chose. It might make an unsophisticate now rub his eyes to observe them publicizing the fact that under the Fair Trade Law they must charge the same as the neighborhood stores on many popular items. To be sure, their advertisements go on to offer something else just as good under Macy's own brand at much less than the well-known make costs. However, the thought must linger in the minds of some who may prefer the "genuine original" that they may as well save carfare and shop at home. If only Macy's can be persuaded to keep up this advertising, a great good may be accomplished!

More seriously, there is considerable speculation as to Macy's aim in their new campaign and its probable outcome. For more than three decades Macy's have fought relentlessly and

* Editor's Note: More than 20 years ago Mr. Ingersoll wrote an article in *Printers' Ink*, later reprinted in pamphlet form, called "The Answer to Macy's," which is still remembered vividly by men who were on either side of the fence in those days. This article brings the answer up to date.

When the Feld-Crawford Act became law in 1935 Macy's predicted that prosperity would vanish. This year, following the Supreme Court decision, they have continued to emphasize that "price-fixing means price-raising."

resourcefully against price-maintenance as though they thought it would interfere with something that they considered of prime importance to them and their public. Years ago they enjoyed three important legal victories, one of which, the Bobbs-Merrill case, made history in the development of the law surrounding price-maintenance.

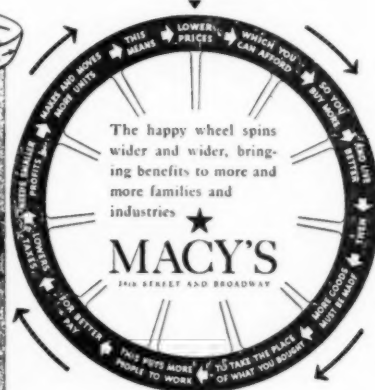
The facts in these cases, however, were faulty in the light of modern principles pertaining to the subject. Too, the experiences of subsequent years in distribution, coupled with the enlightenment growing out of prolonged discussion, have gradually worked a change in legislative and judicial opinion until the Macy contentions have pretty generally been discarded. Finally when the United States Supreme Court upheld the Fair Trade Acts and the N. Y. Court of Appeals sustained the Feld-Crawford Fair Trade Act, Macy's had to capitulate in so far as cutting prices on branded goods was concerned if the makers wished to avail themselves of the law.

What High-Price-Fixing does to You:

THE SOONER
THIS VICIOUS
SPIRAL STOPS



THE SOONER THE HAPPY
WHEEL STARTS TURNING
FOR YOU



Macy's aims always to see that you pay only prices you can afford for good quality. We always oppose price-fixing—because it aims to make you pay more. We have a quaint 77-year old-fashioned idea that true prosperity begins and ends with the interest of the

CONSUMER

Now they are advertising lavishly to characterize price-maintenance as "price-fixing," to tell people that "price-fixing means price-raising," seemingly to prejudice the public against articles which are marketed under the policy sanctioned by the New York Fair Trade Law and to cultivate a widespread belief that Macy's have better values than are to be had in price-maintained brands.

Do they think they can work up a public sentiment that will secure the repeal of New York's Fair Trade Act? Are they trying to intimidate manufacturers of national brands from taking advantage of their rights under this law and thus to retain in their store as many articles as possible on which to cut and to render the law ineffective as to price-maintenance? Are they trying simply to sell these private-brand articles of their own, one of which they feature in each of these large-space advertisements? Can they possibly think that it would really be in the public interest to nullify price-maintenance if they could or are they opposed to it only because it infringes

SALES MANAGEMENT

upon their cherished privilege of handling anybody's product in any way they think best for Macy's?

Probably their motives are mixed. My own guess is that Macy's principal reliance in their present campaign is that it will spread the impression that they are less grasping than the selfish but unnamed manufacturers who set allegedly extortionate prices while Macy's are professedly valiantly fighting the consumer's battle. It is calculated, I surmise, to win a wide general confidence that Macy values are always supreme and that now the public is lucky in having a champion, capable and resolute in circumventing the intrigue of supposedly soulless manufacturers and mediocre dealers who are out to exploit the innocent consumer by means of the Fair Trade Law. What could be more valuable to a store in a community of 10,000,000 buyers than to establish just such an idea, however mythical in fact?

That, it appears, is Macy's primary aim. If, as a by-product, the campaign scares some manufacturers from asserting their rights, and if it mobilizes a certain amount of half-informed public sentiment on their side, I suppose that that is just so much velvet.

A REMINDER

—the 67-year-old policy of—

Lowest-in-the-City Prices

—means that Macy prices are at least 6% less, every day of the year, on every article of merchandise. This applies not only to regular stocks, but to the special items offered in competitive sales as well. Our customers may read the advertisements of other stores with the knowledge that they can make their purchases at Macy's and, as usual, save at least 6%.

MACY'S

34th Street and Broadway

New York City

Back in 1925 Macy's advertised prices "at least 6% less."

I wish I could credit Macy's with high motives in this effort of theirs. In some important respects I think theirs is the most original and constructive management in the department store field. Their advertising statements, taken literally, are, I believe, meticulously accurate. It would be gratifying to feel that so huge and successful an enterprise was wholly wholesome. I'm sure that it could be, that it need not lean upon faulty props. Where there is so much to admire, one reluctantly sees it marred

AUGUST 1, 1937

with stratagem. But when an individual firm elects to array itself against the convictions of a nation of its fellow merchants and single-handedly to flout the acts of the legislatures of an overwhelming majority of our states and the judgment of the country's highest court, then it is not out of place to review its record and to try to assess the purposes which move it.

This firm for many, many years has astoundingly claimed generally to undersell all its competitors—and it competes with more than 100,000 retail stores in its trading radius. The firm has explained these claims on the ground that it sells exclusively for cash and is more efficient than others and hence can sell on a smaller margin of profit.

Macy's Claims Give Ground

This must be arbitrary dictum on their part because Macy's can have no more idea of the operating expense ratios or the selling price of each item in each of these 100,000 stores from day to day than the other stores have of Macy's in these same particulars. But Macy's have taken an audacious stand on the issue and have clung tenaciously to it in the face of patent improbability of fulfillment and against the protests not only of their business contemporaries but of such an impartial and informed agency as the Better Business Bureau of New York. True, as we shall see, they have given ground and narrowed their claims technically; but it looks as though this were done grudgingly under pressure and with the determination to retain as much as possible of the essence of the ancient assertions while yielding only something of the form.

The inwardness of the Macy conception of competition is perhaps best expressed in their own words. These go back a long time and leave no doubt, I submit, of their insistent purpose to convince New York that there was just one store in its midst which gave more for the money than

all the others. A few quotations from their advertisements at intervals of years will epitomize their claims, I think.

In a New York newspaper in 1906 they advertised:

"Lowest - in - the - city - prices, no matter how far it becomes necessary to cut at any time to undersell all competitors."

No intimation there that their cutting was limited by lower operating costs or by legitimate ability to undersell. Think what attitude the Department of Justice would have taken toward a powerful industrial corporation like U. S. Steel if it threatened to undersell and did undersell its smaller rivals regardless of any losses incurred in a cut-throat war! That was the most prolific source of monopolies. The steel corporation was absolved from dissolution by the court because it was a "good trust" which abstained from oppression of its competitors.

That there had been no change in Macy's policy in 1912 is indicated by an advertisement published then:

"The Macy Policy

"When in a moment of desperation, others cut to meet our prices, we in turn cut again and as often as necessary to sustain the R. H. Macy & Co. reputation for underselling supremacy."

An Audacious Revelation

Commenting upon this policy, a brief in the book-publishers suit said: "Here is a strange situation. A publicly confessed underselling monopoly comes into court absolutely refusing to allow competition with itself in any article of merchandise it chooses to select for its purpose . . . it seized upon the book trade and holding it fast in its grip defied and warned all others to keep off, that it was theirs and theirs only, and to the last cent would they fight for it."

Thirteen years later, in 1925, appears the most explicit expression of
(Continued on page 44)

An Invitation to Macy Executives

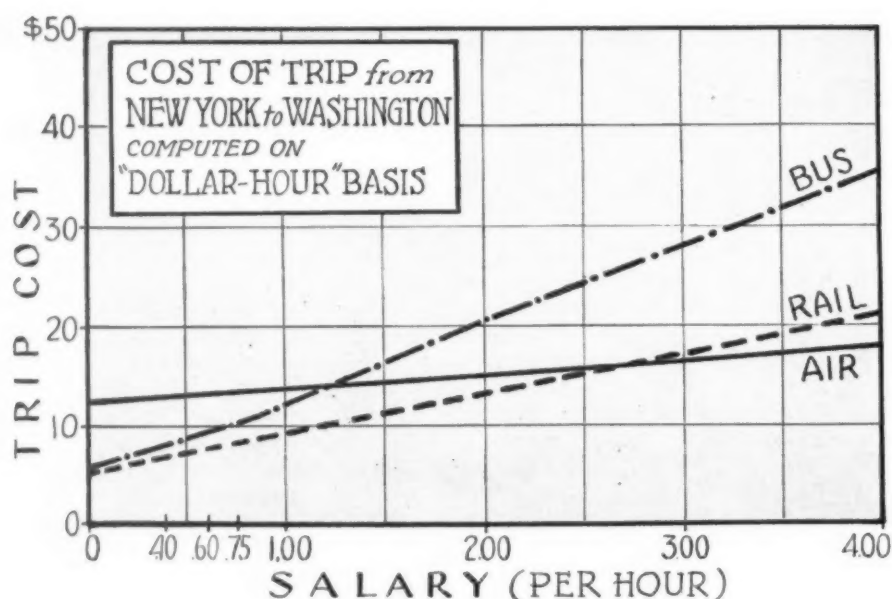
William H. Ingersoll has been for many years a forceful representative of those who believe that price maintenance is in the public interest and that it benefits distributors, consumers and manufacturers. R. H. Macy & Co. hold the opposite point of view.

SALES MANAGEMENT editors are open-minded. They realize that there are two sides to any question involving as many angles as this one.

Macy executives, such as members of the Straus family, Paul Hollister and Q. Forrest Walker, may have much of moment and interest to say on this same subject. The editors of SALES MANAGEMENT offer them the opportunity to outline their beliefs in these pages, and hope that they will accept this open invitation:

Bus, Train and Plane Rate Study Shows "Dollar-Hour" Travel Costs

If you're traveling a bunch of high-priced men you cannot afford to ignore the tremendous time-saving made possible by air transportation. Railroads are now more economical than buses for all but the lowest-priced men.



SEVERAL years ago (March 1, 1935) SALES MANAGEMENT published a survey of "dollar-hour" costs for salesmen's travel, computed on the basis of "dollar-hour" salaries paid to salesmen. Net conclusion of the study was that, considering time-cost relationship, it is actually cheaper for a salesman earning \$2 an hour to travel from Chicago to St. Louis by plane rather than rail or bus, by rail rather than bus; \$.75 an hour by bus; and so on up and down the income scale.

Since that survey, constant changes in transportation have made for better traveling facilities all over the country. Faster service is now available on air lines, railroads and bus lines. Transportation rates have decreased materially: Railroads now operate on a \$.02 per mile basis rather than the \$.036 per miles of two years ago; air and bus rates are correspondingly lower.

Chart A. shows the comparative "dollar-hour" costs of the St. Louis to Chicago trip for 1935 and 1937. For a salesman earning 40 cents an hour, the bus trip in 1935 cost \$8.45. Today the same trip can be made for a

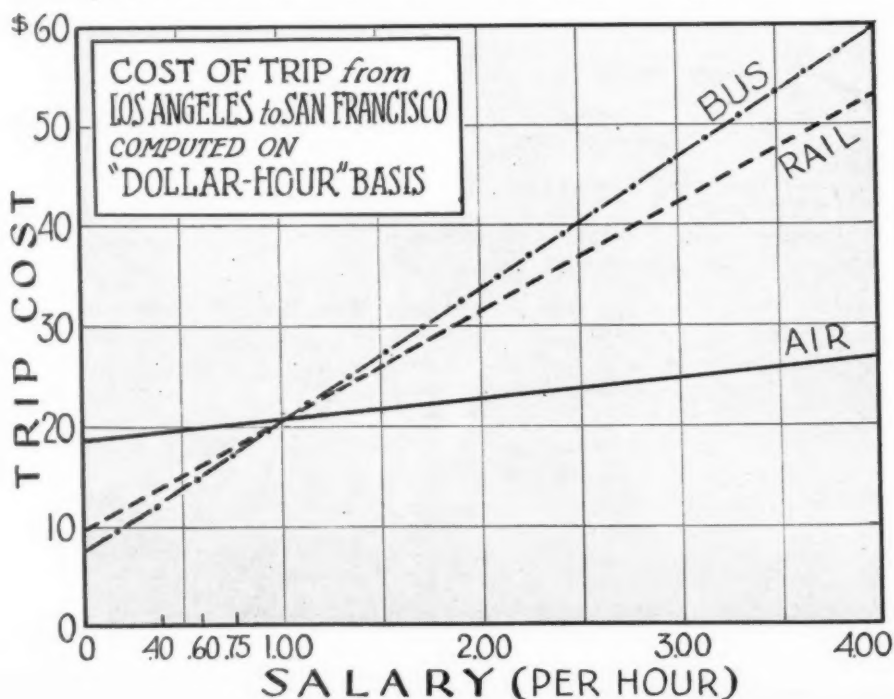
dollar hour cost of \$7. Comparable decreases in rail and air "dollar-hour" transportation costs are likewise evident all through the income scale.

Transportation as a factor in the

operating of salesmen has become more and more important. One mode of transportation today is replaced by another in popularity tomorrow, so that in routing his salesmen from one point to another, the wise sales executive takes into consideration all transportation means, breaks down their competitive advantages and selects the mode of travel most economical from the standpoint of monetary cost and time spent in traveling. He has come to consider transportation cost as the actual dollar cost involved plus the value of the time consumed in making the trip.

In the following study, SALES MANAGEMENT has brought the "dollar-hour" costs for salesmen's travel up-to-date, using currently prevailing transportation and income rates, and has reduced to a comparative basis the "dollar-hour" costs for 12 typical trips, based on these assumptions: That the trip is made for business only; that it is made during business hours; that considerations of relative comfort are omitted; and that the trip is made without recourse to extra-fare trains or planes, or "Volume Travel Plan" of the air lines. Of course, if trips are made outside of business hours the "dollar-hour" costs are lowered.

The facts developed from all 12



trips are comparable. Let us take the trip from Los Angeles to San Francisco as an example of how the time-cost relationship enters into traveling expenses. By bus, Los Angeles is 445 miles from San Francisco; by rail, 485; by air, 365. It requires 13 hours to make the bus trip; 11 hours, the trip by train; 2 hours, by air. Straight fares between Los Angeles and San Francisco are: By bus, \$8; by rail, \$9.47; by air, \$18.95.

Let us suppose that the salesman's salary is the low figure of 40 cents an hour. In traveling by bus from Los Angeles to San Francisco, he spends \$8 in bus fare *plus* 40 cents x 13 hours (the time it takes to make the trip). On that basis the trip actually costs him \$13.20. If we follow the same calculation at the 40 cents an hour rate for both rail and air, we find that the salesman's "dollar-hour" cost for the trip by rail is \$13.87; by air, \$19.75. Similarly, at the rate of 60 cents an hour salary, the trip costs \$15.80 by bus; \$16.07 by rail; and \$20.15 by air. As shown by the graph, at slightly over \$1 an hour air travel becomes cheapest.

Air Cheapest for Top Men

Going on up the income scale, we find that at the income rate of \$1 an hour, the "dollar-hour" cost of the trip between Los Angeles and San Francisco is almost the same: \$21 by bus, \$20.47 by rail; and \$20.95 by air. Beyond that point, however, air travel comes definitely into favor, with rail travel far below in second place. At \$2 an hour, the trip costs \$34 by bus, \$31.47 by rail, \$22.95 by air.

The two line graphs show clearly the relative increase in the cost of bus travel and decrease in the cost of air travel as salaries increase.

On the New York to San Francisco trip in Chart B the comparative costs would come out quite differently if we should assume that the hour costs were based on an 8-hour day, i.e. that a salesman at 40 cents an hour was getting \$3.20 a day instead of \$9.60. If, for example, a salesman taking the bus trip were paid for four days of 8 hours each instead of for 96 hours, the total bus cost would be \$51.05 instead of \$76.85, and the rail cost would be \$60.61 instead of \$81.81. Going to the other extreme, the trip of the \$4 an hour man would be \$166.25 by bus and \$161.41 by rail.

The charts are suggested as a method of appraising relative costs and any executive can determine the most economical mode of transportation for himself and his salesmen by making his own "dollar-hour" chart based on his own salary rates.

AUGUST 1, 1937

Chart A: Comparative "Dollar-Hour" Costs of St. Louis-Chicago Trip for 1935 and 1937

	Year	SALARY PER HOUR						
		\$.40	\$.60	\$.75	\$ 1.00	\$ 2.00	\$ 3.00	\$ 4.00
BUS.....	1935	\$8.45	\$10.55	\$12.12	\$14.75	\$25.25	\$35.75	\$46.25
	1937	7.00	9.00	10.50	13.00	23.00	33.00	43.00
RAIL.....	1935	11.27	12.57	13.54	15.17	21.67	28.17	34.67
	1937	8.15	9.25	9.97	11.45	16.95	22.45	27.95
AIR.....	1935	14.86	15.31	15.65	16.22	18.48	20.75	23.02
	1937	12.35	12.65	12.88	13.25	14.75	16.25	17.75

Chart B: "Dollar-Hour" Costs for Salesmen's Travel for 12 Typical Trips

The following trip costs do not include cost of transportation to and from bus, rail and air terminals, or time consumed in such transportation. It is assumed that the trip is made during business hours, and without recourse to extra-fare trains or planes or Pullmans.

					COST OF TRIP PER HOUR SALARY						
TRIP		Mileage	Fare	Hours	\$.40	\$.60	\$.75	\$ 1.00	\$ 2.00	\$ 3.00	\$ 4.00
Chicago to St. Louis	Bus	300	\$3.00	10	\$7.00	\$9.00	\$10.50	\$13.00	\$23.00	\$33.00	\$43.00
	Rail	290	5.95	5½	8.15	9.25	9.97	11.45	16.95	22.45	27.95
	Air	285	11.75	1½	12.35	12.65	12.88	13.25	14.75	16.25	17.75
Chicago to Pittsburgh	Bus	492	6.95	14¾	12.85	15.80	18.00	21.70	36.45	51.20	65.95
	Rail	468	9.40	8½	12.73	14.39	15.85	17.73	26.06	34.40	42.73
	Air	426	23.95	2½	24.95	25.45	25.83	26.45	28.95	31.45	33.95
Pittsburgh to New York	Bus	419	6.75	16¾	13.45	16.80	19.30	23.50	40.25	57.00	73.75
	Rail	439	8.80	9	12.40	14.20	15.55	17.80	26.80	35.80	44.80
	Air	305	21.00	2½	22.00	22.50	22.88	23.50	26.00	28.50	31.00
Los Angeles to San Francisco	Bus	445	8.00	13	13.20	15.80	17.75	21.00	34.00	47.00	60.00
	Rail	485	9.47	11	13.87	16.07	17.72	20.47	31.47	42.47	53.87
	Air	363	18.95	2	19.75	20.15	20.45	20.95	22.95	24.95	26.95
Chicago to New York	Bus	911	13.95	28	25.15	30.75	34.75	41.75	69.75	97.75	125.75
	Rail	908	18.20	16½	24.80	28.10	30.58	34.70	51.20	67.70	84.20
	Air	712	44.95	4	46.55	47.35	47.95	48.95	52.95	56.95	60.95
New York to Boston	Bus	232	2.95	9	6.55	8.35	9.70	11.95	20.95	29.95	38.95
	Rail	232	4.60	5	6.60	7.60	8.35	9.60	14.60	19.60	24.60
	Air	231	13.90	1¼	14.40	14.65	14.85	15.15	16.90	17.65	18.90
New York to Washington	Bus	235	3.75	8½	7.08	8.75	10.00	12.08	20.41	28.74	36.07
	Rail	226	4.55	4	6.15	6.95	7.55	8.55	12.55	16.55	20.55
	Air	203	12.20	1½	12.73	13.00	13.20	13.53	14.88	16.19	17.52
New York to Atlanta	Bus	933	11.85	32	24.65	31.05	35.85	43.85	75.85	107.85	139.85
	Rail	884	14.15	14	19.75	22.55	24.65	28.15	42.35	56.35	70.35
	Air	802	48.15	5½	50.28	51.35	52.15	53.48	58.81	64.14	69.47
Chicago to New Orleans	Bus	1098	12.30	38	27.50	35.10	40.80	50.30	88.30	126.30	164.30
	Rail	912	16.33	16	22.73	25.93	28.33	32.33	48.33	64.33	80.33
	Air	909	39.95	6½	42.48	43.75	44.70	46.29	52.62	58.95	65.29
Chicago to Minneapolis	Bus	488	6.00	14	11.60	14.40	16.50	20.00	34.00	48.00	62.00
	Rail	421	8.15	7	10.95	12.35	13.40	15.15	22.15	29.15	36.15
	Air	350	20.00	2½	20.93	21.40	21.75	22.33	24.66	26.99	29.32
Chicago to Omaha	Bus	481	8.50	16	14.90	18.10	20.50	24.50	40.50	56.50	72.50
	Rail	488	9.97	8	13.17	14.77	15.97	17.97	25.97	33.97	41.97
	Air	423	24.50	3	25.70	26.30	26.75	27.50	30.50	33.50	36.50
New York to San Francisco	Bus	3,242	38.25	98½	76.85	96.15	110.63	134.75	231.25	327.75	424.25
	Rail	3,180	48.41	81	81.81	88.01	110.16	130.41	211.41	292.41	373.41
	Air	2,633	149.95	17½	156.95	160.45	163.08	167.45	184.95	202.45	219.95



Peck & Peck continue in the Spirit of Summer. Headline on a little ad for ventilated shoes reads: "Very coolly yours."

* * *

A caption-writer for the Philadelphia *Inquirer's* roto section also uses a legitimate play-on-words: "Beauty and the Beach."

* * *

Observation (accompanied by a certain revulsion, be it said) of the great unwashed in public places, not to mention well-dressed people who should know better, leads me to conclude that an association of linen-goods people could go to town with a campaign on Handkerchiefs and How to Use Them.

* * *

A sign in a window says: "Wash ties of the better grade, 7¢." If he could make out with a lower grade, a fellow could save some money in that store.

* * *

As a Marx Brothers fan, I was considerably let down by "A Day at the Races," the critiques to the contrary. I kept waiting and hoping for the big laugh which never came. As the Two Black Crows used to say: "You've been in better shows than that."

* * *

The telephone company says: "You grind about a pound of shoe-leather into dust each year, according to a recent news dispatch" and finishes with a pat admonition: "Reach for the telephone before you reach for your hat."

* * *

Something about Summer seems to inspire the gag-men of our business. A little sign in Gimbel's window calls attention to a display of lamps and lamp-shades with this paronomastic punch-line: "Shades cooler."

* * *

Due to space limitations, I have been unable to comment until now upon the very effective promotional book entitled: "Velvet — *Fortune's* Extra Readers." It is a fine job of writing, of book-making. It is bound with a band of real red velvet, 2 3/8 in. wide by 12 in. deep, and the inside is just as "smooth." It is freely admitted that a few "bums perhaps, waiting out a frosty day in a public library" find the pictures interesting.

Further, "On the average, 17.57 people read or look through each copy of *Fortune*." That 57/100 reader is doubtless the junk-man getting a copy, at long last, from the dentist.

* * *

Temperance note: A school teacher was haranguing the class on the evils of alcoholic beverages. She said: "We have here a glass of pure water. I'm going to drop some fishing-worms into the water. Look—see how happy and wriggly they are. Now—I'm going to put those happy little worms into this glass of whisky. See? They've stopped wriggling. They're all dead in the bottom of the glass. What little boy or girl can tell us the moral of this lesson?" A young modern raised his hand. "I know, Teacher. If you've got worms, drink whisky!" Class dismissed.

* * *

Bud Sellers has a colored maid who has coined a useful adjective: "Searchy."

* * *

Cavalcade, British news-magazine, calls it the "Republican" Steel Corp. An easily understandable error.

* * *

In the Remington-Rand window is what looks like a scale model of the Hooven Automatic typewriter. It is called the "Robotyper," which this reporter considers a swell name. It looks a little uncanny. Unseen ghostly fingers tap the keys, turn up the platen, zip the carriage back for the next line. And you can put it on your lap without getting lip-rouge on your cheek.

* * *

It was doubtless a business-man's son who told his Sunday-school teacher that Martin Luther "pulled out and went in for himself."

* * *

There would be a boom in the paint trade if the public once realized the sheer magic of a few dollars' worth of lead and linseed oil. The merchant marine offers a shining example. Deck-hands are forever painting everything in sight. Result: Ships look better, last longer, in spite of brutal sun, salt, and storms.

* * *

On the map, the Bahama Islands look like microbes. But, as Ed Wynn would say, don't bacilli.

Possibly for the fun of the thing, Harry Dole, ad mgr. of *Time*, had Nadya Olyanova, graphologist, 65 University Place, N. Y. C., read the handwriting of a lot of us advertising guys. Nadya is of the Dale Carnegie persuasion and I can't quarrel with her keen judgment. She says, in part: "He is responsive to music, art, the theatre; is particular about his personal appearance; has healthy physical appetites and possesses the capacity to direct other people. He can win their affection as well as respect. . . . With this is coupled a leaning toward the romantic, and he is not without sentiment." Are you doing anything this coming Saturday night, Little Gypsy?

* * *

I've been a workingman all my adult life, yet I have never been able to understand the psychology of the strike. If I don't like my employer's treatment of me, I can quit. If he wants to carry on without my services, that is his privilege, too. After all, he provided the employment in the first place. It was his money, his establishment, his risk—not mine.

* * *

One of our more dependable and intelligent correspondents offers a slogan for the Swedish Line's North Cape Cruise: "Dream on the deck—and watch the fjords go by!"

* * *

Neat headline for Macy's Summer Colony furniture in *House Beautiful*: "The Recline of Western Civilization."

* * *

Don't those "carriers" of Athlete's Foot own any bedroom slippers?

* * *

After three successive labor disturbances, a small manufacturer has closed his plant, retired from business. Any umpire will tell you, three strikes are out.

* * *

That "silent" radio advertised by Lewis & Conger's Sleep Shop is the kind most folks wish their neighbors owned.

* * *

Seagram strives nobly in its editorial copy to put drinking on a saner basis. The trouble is, those who need the lesson most won't read or heed.

* * *

The day Franklin, Jr., and Ethel were married, Morgan Stanley & Co. advertised an issue of 500,000 shares of du Pont cumulative preferred. That's what the salesman's portfolio means by "tying in."

* * *

Suggested theme-song for New York's amusement-guide: "Thank Cue!"

T. HARRY THOMPSON.

SALES MANAGEMENT

We Don't Say



the Baby is ours!

We make no rash claims of paternity—cherish no delusions of parenthood. All we say is, we were present at the accouchement, when this lusty bawling infant prodigy first saw the light of day, and that we so proclaimed the fact to “the cock-eyed world” when the Story in Pictures was born.

Years ago? Hardly. It was a little more than a year ago, rather, when we announced that roto-gravure faced a new orientation.

It began as an idea—like all other things. The story in pictures, we maintained, was a dimensional quantity, of length, breadth and thickness, and must include more than one picture.

We didn't invent anything. We only found words to describe a principle that was already getting a toe-hold in many places. So, our contribution was solely in the interest of clarity and emphasis. That, and giving the baby a name.

The Story in Pictures!

Well, its genesis certainly started something in the publishing world. North, South, East and West, the roto-gravure sections of Sunday Newspapers adopted this dimensional method pictorially of telling a story, and almost synchronously a weekly and a semi-monthly sprang into being—*Life* and

Look. They, too, followed the dimensional method of picture story-telling, and their swift phenomenal circulations have made publishing history.

All of which is just by way of reminding you that the Story in Pictures is now a little more than a year old—and it's here to stay. As a testament, also, of our own supreme faith in its inarguable rightness, we offer here just a few Story in Pictures titles culled from recent roto-gravure picture sections:

Can You Name the 13 Persons Who Might Inherit the British Throne?

Lindy—Ten Years After

Before and After the Great War

Wings Over the Atlantic

Dancing Daughters

Sport Time in Hollywood

Hawaii's Seagoing Cowboys

Love Is Still Sweeping the Country

Yes, the Story in Pictures is here to stay.

Metropolitan weekly

Baltimore *SUN* • Boston *GLOBE* • Buffalo *TIMES* • Cleveland *PLAIN DEALER*
Chicago *TRIBUNE* • Detroit *NEWS* • New York *NEWS* • Pittsburgh *PRESS*
Philadelphia *INQUIRER* • St. Louis *GLOBE-DEMOCRAT* • Washington *STAR*

Gravure

Comics

Color

Metropolitan

Sunday

Newspapers, Inc.

New York • Chicago

Additional or alternate papers

Boston *HERALD* • Buffalo *COURIER-EXPRESS*

Chicago *TIMES* • Detroit *FREE PRESS* • New York

HERALD TRIBUNE • St. Louis *POST-DISPATCH*

Washington *POST*

THE LARGEST CIRCULATION IN THE WORLD OF ANY GROUP OR MEDIUM

AUGUST 1, 1937

[23]



"Inquiry reveals that most tourists 'going to California' by automobile for the first time have no definitely planned destination," says the Beckoneers. But Long Beach's far-flung billboards will help them decide!

Long Beach Finds Advertising Pays; Launches 5th Year's Campaign

THEY had an earthquake in Long Beach, Calif., some five years ago, and besides the pain of having to nail their buildings back together again, the business men groaned over several million tourists who would be forever and henceforth as afraid of Long Beach as rabbits of a hound kennel.

In such emergencies, however, California showmanship has never failed to come to the fore. The business contingent held a variety of jam sessions, and created a non-profit organization with the fancy nomen of Beckoneers of Pacific Coast Paradise, Inc., which set about beckoning.

A couponed advertising campaign of two-column to quarter-page space started in *Time* and *National Geographic*, and is still going full speed ahead. The copy talks of Long Beach cool air in Summer and of Long Beach mild climate, flowers and sunshine in Winter. Thousands of inquiries pour in from every state in the Union, and from 19 foreign countries. Some have recently been received from Australia.

Consequently, if Long Beach was a resort before the earthquake, it's merchants' paradise now. Apartments no one would live in just after the earth tremors and which rented for around \$50 before that time are practically gold mines now. One pays \$100 monthly for almost any kind of ocean-front apartment, and from \$125 up for one decorated in good taste.

"Land yachts" are hawked downtown as if they were popcorn.

No one seems to know how Long Beach can accommodate any more tourists than it has now, but the Beckoneers have announced their newest

venture: 310 highway billboards in a gaily hued string that stretches tantalizingly across the scorching areas of Arizona, Nevada, Texas, New Mexico. Last year 292 less pretentious highway bulletins were used.

The string begins in Dallas and comes through Ft. Worth where 30 billboards tell heat-weary cowpunchers that "it's cool in Long Beach."

Foster and Kleiser, of Long Beach, erected the billboards.

Punctuating the movement will be a series of newspaper advertisements now in preparation. The schedule has not been announced, but the space will be somewhat concentrated in the hot belt through Arizona and California, and will include, a member of the Beckoneers announced tentatively to SM, the *Bakersfield Californian*, the *Phoenix Republic*, the *Tucson Daily Citizen*, *Albuquerque Journal*, *Stockton Record*, *Sacramento Bee*, *San Antonio Express*, *Riverside Daily Press*, *Redlands Daily Facts*, *Phoenix Gazette*, *Riverside Enterprise*, *El Centro Morning Post*, *San Bernardino Daily Sun*, *Pomona Progress Bulletin*, *Pasadena Post*, *San Bernardino Telegram*.

Besides those publications, the list will include others not yet decided upon.

Some \$35,000 has already been collected from the city's merchants for this Summer advertising drive—the largest appropriation of the whole "re-establish Long Beach" effort.

An interesting sidelight is the fact that somehow the Long Beach Chamber of Commerce has ascertained that one out of every ten persons who visits the "Home of U. S. Battle Fleet," does not go home at all.

FTC Issues "Desist" Orders in First R-P Act Cases

The Federal Trade Commission set several precedents when on July 19 it issued cease and desist orders in two alleged violations of the Robinson-Patman Act and dismissed two other cases.

An order to cease and desist was issued against the Biddle Purchasing Co., New York, and against a group of sellers who pay brokerage fees to that company and another group of buyers who received such fees from it. The Commission found that the Biddle Co. was the agent and the representative of the buyers and acted for them in the transactions with the sellers and that it was not the agent of the sellers. It further found that the brokerage fees always reached the buyers and in effect were actually paid by the seller to the buyer, which resulted in giving the buyer a discount.

A cease and desist order was entered against the Hollywood Hat Co. on several grounds—that the differences in its price schedule were not accounted for in the difference of cost of manufacture, sale or delivery, and that it shipped millinery in a grade and quality different from the goods ordered.

Cases were dismissed in which the discount policies of Bird & Son, Inc., and the Bird Floor Covering Sales Corp. were involved. These affiliated companies sold hard-surfaced felt-base floor covering to Montgomery, Ward & Co., and the complaint was made that sales were made on a price basis which resulted in injury to retailers in competition with Montgomery, Ward. The Commission found that the cost of selling to Montgomery, Ward & Co. was much less than to ordinary retailers and that the difference of price came within the terms of a proviso of the R-P Act permitting price differentials that make only due allowance for differences in the cost of selling.

The case against the Kraft-Phenix Corp. was dismissed on the grounds that the price differentials did not tend to create a monopoly or to lessen or injure competition. The Commission said that the retail price of Kraft products depends so much upon the character of the store, the buying power of its customers, the importance of its cheese trade, and the nearness of other competing stores, that there is no basis for concluding that the price of these products is governed by receipt of the discount.

SALES MANAGEMENT

HOW THREE CAN GET TOGETHER MILES APART



THEY'RE in different cities. One is the district manager of asphalt sales for an oil company. One is a field representative. One is a customer. In a brief telephone conference (that is, all three talking on the same connection), they're clearing up a question of contract deliveries that might have dragged into days and cost a lot of dollars.

TWO OTHER ACTUAL CASES

1 The sales manager for a heating equipment company, unable to visit out-of-town branches as often as he'd like, holds monthly telephone conferences with branch managers to supervise sales activities, announce new products or prices, and keep in

close touch with market conditions.

2 The head of a wool marketing association uses telephone conference service to discuss important matters with committee members in four different cities at a fraction of the cost of personal meetings.

Telephone Conference Service is fast, adaptable, meets many business and social needs. *Up to six telephones* (more, by special arrangement) any distance apart can be connected at one time. Every one hears and is heard, as if in the same room. . . . Just ask Long Distance for the "Conference" operator. Rates were recently reduced.



BELL SYSTEM CONFERENCE TELEPHONE SERVICE

AUGUST 1, 1937

[25]

Competitors "Help" Oldetyme to Strengthen Sales Methods



William H. Patton

William H. Patton, assistant general sales manager of Oldetyme, decided to find out what was the matter with liquor salesmanship. So he traveled for two months not only with his own company's men, but with men representing competitive firms. What he saw on that trip led Mr. Patton to make the following recommendations to the liquor industry with respect to the more efficient development of its man-power:

1. That there be more careful selection of men, to fit into a definite sales plan.
2. That there be better sales training and education of the men in merchandising and point-of-sale advertising for the benefit of the retailer, as well as more thorough education on the products themselves.
3. That there be closer supervision and direction of salesmen by superiors.
4. That the salesman be given a bigger and broader conception of his job, beyond the "loading key accounts."
5. That liquor salesmen be taught to sell the company instead of so many cases of whisky.
6. That distillers develop a better plan than "orders taken" to gauge the results of salesmen.

BY

LAWRENCE M.

HUGHES

BOBIE BURNS' rhymed wish that the gift might be given us to see ourselves as others see us—that we might be freed of various troubles and foolish notions—has been echoed by members of the re-born liquor industry.

In its first three and a half years this industry has had troubles a-plenty. Many of these, to be sure, were merely growing pains. When an industry's sales can treble in three recent years—from 38,000,000 to about 100,000,000 gallons—its members can hardly be blamed for becoming volume-conscious.

Domestic whisky now accounts—the nation over and the year 'round—for about nine-tenths of all liquor sold. But there now being an estimated 6,000 whisky brands on the market, competition has increased more rapidly than sales potentialities. To keep ahead of the crowd, many companies have indulged in foolish sales notions—extravagant advertising claims, special-special deals, and some even to outright bribery—to the limit of the Federal and various state regulations, and even beyond.

But the party is coming to an end. The industry is beginning to realize that its future growth must be gradual. Before prohibition the nation's per capita consumption of spirits was just a bit more than one gallon annually. This year probably it will approach that level again—with about 125,000,000 gallons for 130,000,000 people.

But even with more wet states than 20 years ago, and improved sales and advertising techniques, the ultimate limit—to be reached in a few years—probably is 1.50 or 1.75 gallons per capita. Our population will become static, at 135- or 140,000,000, it is estimated, within a decade, and the liquor industry must content itself with an ultimate volume of 200,000,000 gallons.

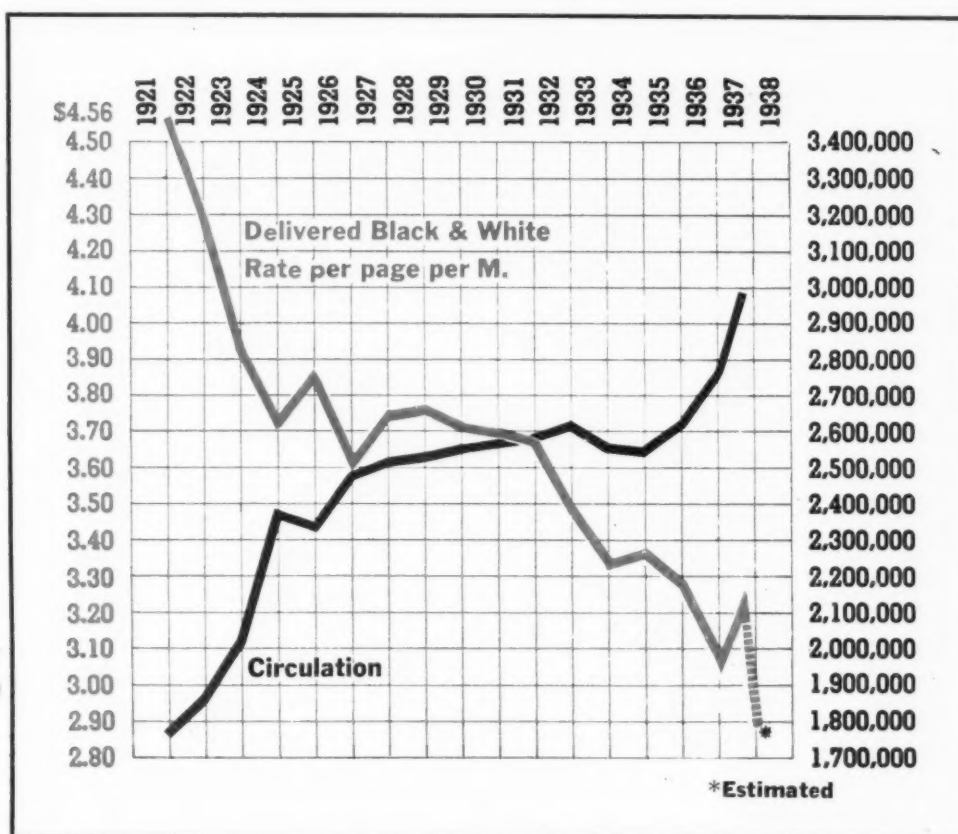
Oldetyme Distillers, Inc., is one of the larger factors in the industry. Its sales last year rose from about \$6,000,-

SALES MANAGEMENT

REACHING MORE FOR LESS

*Effective with the October issue, the Journal offers
a new rate of \$8500 (black-and-white page)*

Since 1921,
the Journal's
circulation has
INCREASED
over 66%,
while its rate
per page per
thousand has
DECREASED
more than 37%



EEDITORIAL COURAGE
has attracted to the Journal
the largest number of readers
in its history—circulation ob-
tained on a full-price, cash-
in-advance basis, without

the use of clubs, premiums or
other artificial inducements.
Editorial vitality, size of
circulation, page rate and
circulation methods com-
bine to make the

Ladies' Home JOURNAL

The Best Buy in the Women's Field

SHOCK TROOPS



FROM A FRENCH MILITARY MANUAL: "In the Order of Action, shock troops come first. They are to be used — in separate, concentrated thrusts — against salients endangering the General Advance."

"THE most critical point in any sales drive is tying-up dealer effort with advertising.

"When national advertising plans are laid, we believe it is wise to budget part of each dollar toward pre-selling the dealer . . . explaining what we are doing, what he can do.

"That, of course, includes the use of Business Papers. Like shock troops, they prepare the way for a coordinated drive.

"For certain clients, business paper advertising has not only secured new dealers, but it has definitely stimulated action from entire dealer organizations.

"For other clients . . . we use business papers

to present new point-of-purchase material . . . to prepare for seasonal drives.

"Altogether . . . on some 17 accounts . . . our work illustrates this principle of protecting the client's major investment with judicious trade promotion.

"To our way of thinking, this is one of the most important services of the Business Press today."

PRESIDENT

GEYER, CORNELL & NEWELL, INC.

MACHINERY, New York
NATIONAL PETROLEUM NEWS,
Cleveland
THE NATIONAL PROVISIONER,
Chicago
THE PAPER INDUSTRY, Chicago
POWER, New York
RAILWAY ENGINEERING and
MAINTENANCE, New York
SALES MANAGEMENT, New York
STEEL, Cleveland

*Good Business Papers
Build Better Business*

SELL THE **Control** **Families** *OF RURAL* *AMERICA*

and you sell Rural America

IN RURAL AMERICA the families who control the land, livestock, buildings and equipment also control social and business activity and set the buying habits (see opposite page). Families of leading agriculturists, merchants, bankers and professional men are the CONTROL FAMILIES—highly profitable customers for *any* business.

Their trade controls the profits of the best local retailers. They are high-profit customers—and these retailers are, in turn, high-profit accounts for manufacturers and jobbers.

High-profit rural sales outlets compare in number and in profits with high-profit city sales outlets. Many far-sighted manufacturers are selling them now. Their volume is essential to the manufacturer or jobber who wants his full share of profit.

The rural market, for which these CONTROL FAMILIES set the pace, is the source of 40 per cent of all retail sales. It is directly get-at-able, the country over, because 1,600,000 CONTROL FAMILIES read Country

RURAL retailers know Country Gentleman's Control Families. Country Gentleman is advertising consistently in The Saturday Evening Post and retail publications to show retailers the advantages of pushing products advertised in Country Gentleman.

Gentleman—the leading magazine serving *their* one common interest, agriculture.

The CONTROL FAMILIES know Country Gentleman as *their own* magazine. And scores of advertisers know . . . from their own experience . . . that Country Gentleman interests and sells Rural America better than any other magazine or group of magazines.

Advertise in Country Gentleman. Let the CONTROL FAMILIES know you specifically want their business. They will interpret what you say in Country Gentleman—their magazine—as a message addressed *directly to them*. Country Gentleman, Philadelphia, Pa.



Rates them preferred customers—"The list you just showed me is representative of the better class of people in and around Salisbury. I believe that we can say that most of them are our preferred customers at this time."—E. R. White, Jr., White and Leonard, The Rexall Store, Salisbury, Md.

Profits are higher in the Country Gentleman Market because:

1. Prices—and people—are more stable. 2. Volume per sale is greater—overhead lower. 3. Competition is cleaner; there are fewer high-pressure "deals." 4. Good rural stores buy in larger quantities than most city stores. 5. The **CONTROL FAMILIES** influence all the other rural families and in themselves represent the most profitable class of trade.

Which part of Rural America do you know best?

If you want the word of retailers on Country Gentleman's **CONTROL FAMILIES** from some particular section which you know well, write Country Gentleman and ask for it.



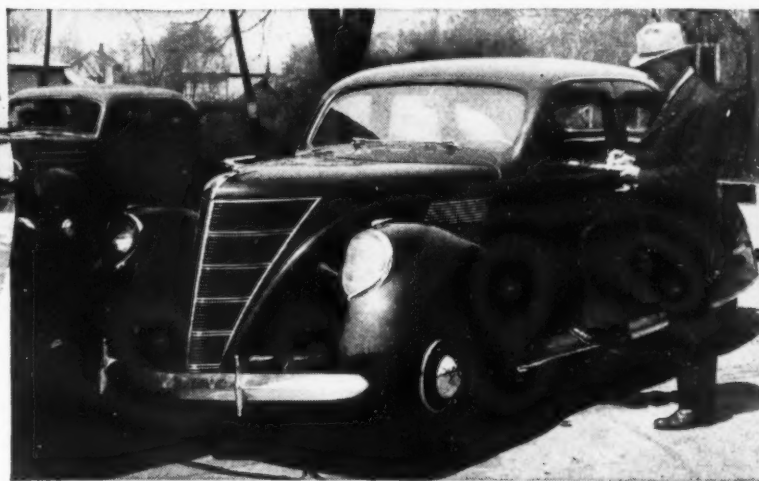
Substantial citizens—"Your circulation among our customers is much larger than we would have expected. Our trade is mostly with the country people and we find a great many of them on your list. Also the list includes a great many of our substantial Middletown residents."—H. E. Pelton, Pelton Hardware Co., Middletown, N. Y.



Recognizes own customers—"In examination of the Country Gentleman list of local readers, we find the majority of these names to be reliable people. Many of them are credit customers of ours, and buy nationally advertised merchandise."—Mrs. Mabel B. Werts, Ladoga Department Store, Ladoga, Ind.



Traces sales to advertising—"We have just looked over your list of Country Gentleman readers at Lindsborg. We are surprised at the number you have and it is safe to say that 95 per cent of them are people that we contact with. We have found instances where sales have been easily made from the advertising seen in your magazine."—Train Brothers, House Furnishings, Lindsborg, Kans.



Has sold 21% of them—"I have just checked over your list of 225 readers in this neighborhood. I find that we have sold, since January 1, 1936, twenty-one new cars, twenty-one used cars and six trucks to people on this list. I would say that the people represent a high average of both farmers and professional and business men."—J. B. Dean, Ford Dealer, Mason, Mich.

COUNTRY GENTLEMAN

FIRST with the CONTROL FAMILIES of Rural America

AUGUST 1, 1937

[31]

000 to more than \$14,000,000. Like most of the others, it has been, admittedly, "volume crazy."

This year, however, Oldetyme is settling down. Its sales quotas are only 20% ahead of last year. The company is thinking and working in terms of more profitable selling, and of gradual but consistent increase in sales and profits in the future, through such factors as more intelligent selection of markets and better team-play with the wholesale and retail trade.

Part of this change has come as a result of market studies made by William H. Patton, assistant general sales manager and sales promotion manager. These studies, embracing, among other things, personal interviews and contacts with scores of wholesalers and hundreds of retailers, covered several "open" and "controlled" states. This story covers particularly two of them—the important "open" state of New Jersey, and the important "controlled" state of Ohio.

One of the first things which Mr. Patton did was to provide a means of classifying the products. Oldetyme salesmen believed their line to be good, but could not tell why in a way their prospects could grasp quickly. Blends, for example, are now the most important type, in volume, of whisky sold. These are combinations of whisky of varying age and proportion with "neutral spirits." In different price classes Oldetyme has two Green River and four Three Feathers blends.

A System of Classification

Mr. Patton gave all whiskies over four years old two points, and under four years old one point. If a blend contained 20% of eight-year-old whisky, the 20 was multiplied by eight, doubled because of its age, equaling 320. If the blend also contained 10% of two-year-old whisky, 20 points were added, making the index number 340.

Then Mr. Patton was sent into the field to ascertain, if possible, reasons for fluctuations in sales beyond the usual seasonal changes in whisky.

There was still, however, one important angle missing, he told SALES MANAGEMENT: "What did our competitors and customers know about us that we did not know about ourselves?"

"I felt that if I could learn this we would really get to the root of our weaknesses.

"Arrangements were made for me to go with competitors' salesmen on their daily trips. This was done with the full knowledge and consent of their general or regional sales managers. The men I accompanied, however, and the customers we called on,



"I'm a little nervous, Ed; this is the first time I've made a night call when the husband is home!"

did not know my identity. Competitors' executives thought it was a great joke. But what I found out was not a joke. It confirmed my opinion of the general haphazardness of liquor selling methods—including our own.

"The companies with which I traveled, off and on for two months, included most of the leaders in the liquor industry—National Distillers, Seagram, Schenley, Calvert, Frankfort and Hiram Walker. Although these companies were inclined to laugh at my work, they realized that their salesmen's obvious lack of efficiency was everybody's problem, from which they could learn as much as we. They realized that their own greed for sales at any cost had created the dislike, if not actually distrust, of wholesalers and retailers, which no amount of consumer advertising and ill-considered, promiscuously-distributed 'dealer helps' could rectify.

"We all realized that we must find ways of seeing ourselves as our customers saw us, and of doing things to help them prosper, if we were to continue to prosper. Only thus could we develop a strong, standardized industry."

Although some companies used more "pressure" than others, and some, on the other hand, were more intelligently cooperative, the salesmen of all were primarily order-takers. Usually the approach was thus:

"Got any So-and-So?"

"How's it going?"

And then the salesman proceeded to tell the prospect how well it was going some place else, or how much advertising they were going to do there. The only thing tangible was a deal. And dealers were less interested in deals than before. Deals usually meant stocking more than they could sell, and cost or below cost prices later. They had shown that, despite increased sales at the time of the offer, there was no permanent increase to be gained. And although the public is thoroughly "bargain conscious," and will go to some trouble to save a few cents on a loss leader, in the liquor field, at least, the public usually buys *only* the loss leader.

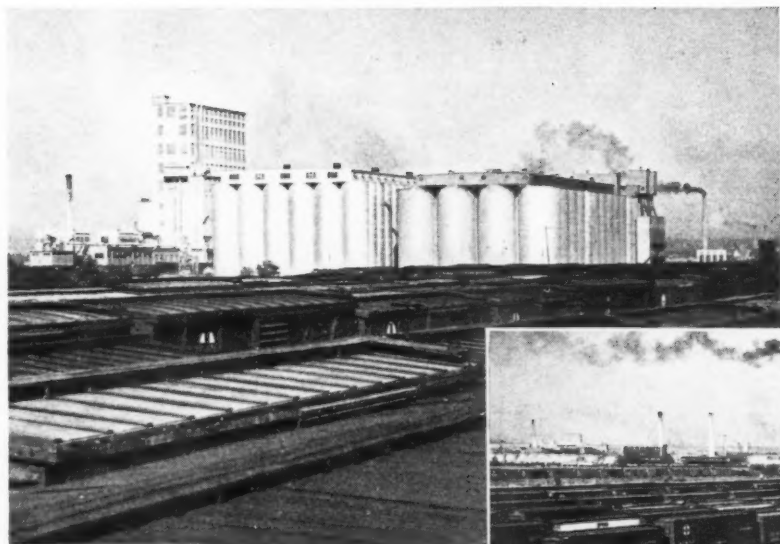
Dealers were quite agreed that the principal function of the distiller's man was to get an order as big as possible. Beyond this, Mr. Patton said, they were vague as to what he did and what he should do.

The usual answer to his questions on this subject were: "Oh, he comes in, checks up on prices, maybe puts up a little advertising material—and tries to get an order."

"The better merchants, however," Mr. Patton reported, "were quite sure that a good missionary man who knew his line, who could be of help in merchandising and sincerely tried to create good will, would be of great value to his firm and to the retailer."

Many missionary men, he found, spent almost all their time on the "key

(Continued on page 48)



YOU'RE LOOKING AT SEVEN MILLION DOLLARS!

**Accumulation of 3,366 Cars of
Wheat at Kansas City in One
Day Sets New All Time Record**

CALL them box cars if you will. In reality they are argosies of gold bringing to port their precious cargoes of sun-ripened grain. Each is a symbol of Nature's profusion and a signal for gladness throughout the world.

On Tuesday, July 6, there were 3,366 cars of new wheat in the railroad yards at Kansas City. It was a new high record for the world's largest primary winter wheat market.

Each of those box cars held from 1,600 to 1,800 bushels of wheat. The average value of each carload was about \$2,100.00. The total value of the 3,366 cars was 7 million dollars.

In one day—7 million dollars' worth of wheat!

Nearly 300 million dollars' worth of wheat will be harvested and sold in the Southwest this summer. It's the best crop in six years—first in bushel yield, first in dollar value!

Shape your advertising program to meet the needs of Southwestern people who are being enriched by this record crop. Consider the circulation coverage of The Kansas City Star—how perfectly it will publicize your name and product in the great golden zone of Southwestern prosperity.

The Daily Kansas City Star is the largest newspaper west of Chicago. It has a circulation of more than 300,000 copies each issue. The Sunday Star has 316,000 subscribers.

The Weekly Kansas City Star (agricultural), with 457,000 paid-in-advance subscribers, is the largest farmers' weekly in America.

Ask for detailed circulation data and for low combination rates for advertising in The Daily and Weekly Star or The Sunday and Weekly Star.

THE KANSAS CITY STAR.

Evening 307,614

Morning 304,591

Sunday 316,818

Weekly Star 457,087

AUGUST 1, 1937

[33]

What Are the Most Popular Stations for Spot Radio Programs?

An analysis in two parts of how national advertisers spent their spot radio dollars during the first quarter, 1937, based on reports of Publishers' Information Bureau.

The 25 Largest Users of Spot Radio

Product	Company	Stations Used	Time Cost
Watches	Bulova Watch Co.	43	\$141,460
Petroleum	Standard Oil Co. of N. J.	8	135,184
Drugs	Consol. Drug Trade Products, Inc.	15	115,731
Cars	Chevrolet Motor Co.	114	107,979
Kentucky Club	Penn Tobacco Co.	23	68,097
Wheaties	General Mills, Inc.	18	63,373
Syrup of Pepsin	Dr. W. B. Caldwell, Inc.	34	61,919
Ovaltine	The Wander Co.	20	51,020
Liver Pills	Carter Medicine Co.	82	45,031
Rugs	Olson Rug Co.	22	43,984
Petroleum	Tidewater Oil Co.	16	42,564
Penetro and Aspirin	Plough, Inc.	44	41,717
B. C. Remedy	B. C. Remedy, Inc.	24	40,763
Spry	Lever Bros., Inc.	38	39,675
Edgeworth	Larus Bros.	18	38,032
Groceries	Kroger Gro. & Baking Co.	15	38,025
Cigars	Webster-Eisenlohr, Inc.	22	36,049
Rem	Maryland Pharm. Co.	23	34,895
Candy	Curtiss Candy Co.	7	30,982
Bread	Purity Bakeries Corp.	6	30,496
Alka-Seltzer	Miles Laboratories, Inc.	14	29,652
Petroleum	Mid Continent Petroleum Corp.	9	29,368
Pinex	Pinex Co.	20	28,856
Food	Reid, Murdock & Co.	21	28,485
Hash	Illinois Meat Co.	3	28,070

REPORTS of the Publishers' Information Bureau show that 734 national advertisers spent \$3,768,763 for spot radio time on 167 stations during the first quarter of 1937. This is an average of \$5,135 per advertiser, or at an annual rate of \$20,540.

The 25 largest spot users accounted for \$1,351,407, or 35.8%. They averaged \$54,056 for the time during the quarter, or an annual rate of \$216,224.

There are 655 listed radio stations in the country, and the P.I.B. figures are made up from reports furnished by 167. These include practically all of the major stations, although there are several outstanding exceptions where owners have not chosen to release information. It is believed by competent radio advertising men that the P.I.B. totals represent well over 85% of the spot time investments of national advertisers.

The 25 largest users (by products) during the first quarter, their investments, and the number of stations

used among those reporting to P.I.B. are listed in the table above.

KMOX, St. Louis, was used by 15 of these largest spot advertisers; WOR, Newark, and WRVA, Richmond, by 13; WCCO, Minneapolis, by 11; WHAS, Louisville, by 10.

Stations used by 9 advertisers were WBBM, Chicago; WBNS, Columbus; WDBJ, Roanoke, and WKY, Oklahoma City.

These stations secured business from 8 out of the 25 advertisers: KDKA, Pittsburgh; WBT, Charlotte; WCAE, Pittsburgh; WHIO, Dayton; WIBW, Topeka; WJJD, Chicago; WJR, Detroit; WOAI, San Antonio; WPTF, Raleigh; WQAM, Miami; WTIC, Hartford; WJAX, Jacksonville, and WSPD, Toledo.

Seven of the 25 largest used these stations: KLZ, Denver; KNX, Hollywood; KJR, Seattle; WEAN, Providence; WJSV, Washington; WMCA, New York; WNAC, Boston; WTAM, Cleveland; WTOG, Savannah, and WGR, Buffalo.

Makers of drugs and toilet goods,

with \$985,291 for time, and food products, with \$919,425, were the largest users of spot radio, and accounted for 50.5% of total spendings. This is substantially the same percentage as for network time during the same period (53.8%).

Automotive products, with only 4.63% of the spot total, contributed less than they did to network time where they contributed 11.65%. On the other hand, jewelry and silverware, and lubricants and petroleum products were relatively more important to spot than to networks.

The complete breakdown by industry groups and subgroups is shown in the tables on pages 42 and 43.

As shown by the accompanying tabulation, station WOR, Newark, was the outstandingly favored station among national spot advertisers. WOR, with 101, was first, and there is a drop to 69 for second place held by WCCO, Minneapolis. KDKA, Pittsburgh, with 67; WNAC, Boston, 66; WGY, Schenectady, 63; WBZ, Boston, 62, and WTIC, Hartford, 62, were closely bunched.

50 Most Popular Stations Based on Number of National Advertisers Using Spot, First Quarter, 1937

(Based on Publishers' Information Bureau Figures)

Advertisers	Station	City	Rank
101	WOR	Newark	1
69	WCCO	Minneapolis	2
67	KDKA	Pittsburgh	3
66	WNAC	Boston	4
63	WGY	Schenectady	5
62	WBZ	Boston	6
62	WTIC	Hartford	6
58	KSTP	Minn.-St. Paul	8
55	WBT	Charlotte	9
54	KMOX	St. Louis	10
54	WIBW	Topeka	10
53	WCAE	Pittsburgh	12
49	WSM	Nashville	13
48	WKY	Oklahoma City	14
46	WOAI	San Antonio	15
45	KOA	Denver	16
43	WTAM	Cleveland	17
43	WLS	Chicago	17
42	WMCA	New York	19
42	WRVA	Richmond	19
42	WWJ	Detroit	19
40	WHIO	Dayton	22
38	KNX	Los Angeles	23
38	WJR	Detroit	23

(Continued on page 42)

SALES MANAGEMENT



Building business with premiums involves an exchange of thoughts—a common carrier of ideas between seller and buyer. That explains why, so often, heads are brought together in consultation, back of Premium Practice.

The publishing of this vital magazine of a multi-million dollar industry means more than editing and printing, more than paper, type and ink. Editors work in the field of commerce as much as behind their desks—contacting buyers and sellers of premiums, getting first-hand information regarding their problems and giving helpful advice.

Consequently, Premium Practice—the *service magazine and national authority of the industry*—moves merchandise and motivates good-will.

Let PREMIUM PRACTICE

ADD TO YOUR SALES — AND PROFITS

Whether you are thinking of establishing a premium division of your business or want to put new life into an old product, ask for Premium Practice's consulting service.

No obligation is involved regardless of advertising in the publication.

Premium Practice
420 Lexington Avenue, New York City



THE NATIONAL AUTHORITY ON
PREMIUMS AND ADVERTISING SPECIALTIES

Are Grocery Jobbers Digging Their Own Graves by Pushing Private Labels?

(In the June 1 and 15 issues of SALES MANAGEMENT were reported the opinions of grocery jobbers in several cities on the effect of the Robinson-Patman Act. Most of them said that the Act has resulted in more aggressive pushing of private labels. Mr. Wright answers these jobbers in two articles, the first of which appeared July 15.—THE EDITORS.)

IN continuing this discussion from the viewpoint of the advertising man, it might be well to remember that not all the jobbers and certainly not all the retail grocers in the United States were opposed to the Robinson-Patman Act nor are complaining about it now.

What some of the big distributors like Mr. Krasne of A. Krasne & Co. of New York are complaining about is that, with their supposedly special and secretive allowances eliminated, the nationally advertised brands are costing them more money and they can't make as much net profit on the same volume as before. They are now on too near a level with all other jobbers and independent dealers.

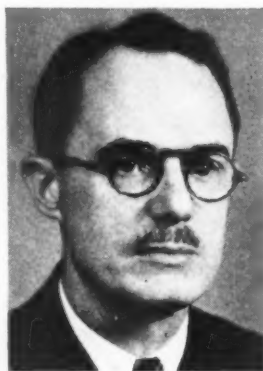
Whether all of the advertising manufacturers were in favor of the Robinson-Patman Act or not, the former beneficiaries of rebates and allowances are talking loudly about how to put pressure on these advertising manufacturers by cutting out their brands and leaving them high-and-dry without any business. Just as A. Krasne & Co., wholesalers, are proposing to do and as Macy's, representative of big department stores, are trying to do. Macy's, however, are kicking more about resale price-maintenance (termed by them "price-fixing") than about secret rebates.

In the end, the manufacturer has to figure his gross sales and his net income by balancing all his prices and sales. If by far the major part of his volume under the chiseling and secret allowance program was being sold at a low average and he was still making money, there is no reason why he cannot now make volume allowances on a uniform basis open to all, so that the largest jobbers and distributors will still have an honest and above-board advantage.

On the other hand, if the manufacturer was actually losing money or barely breaking even on the business of the big distributor and then had

to soak the multitude of small jobbers and little independent grocers in order to find a profit somewhere, then secret rebating was a system which needed to be corrected no matter how the final adjustments are to be made.

Pawing up in the dust on the part of the minority complainants will not stop the reform. They will probably get over it successfully. Smart big business men can find some honest way to continue in business when smart little business men can survive. Bigness in itself is not an evil at all nor is it a thing that ought to be prevented. As long as bigness means benefits, honestly earned and fairly delivered, either to the worker or the consumer or both, it ought to be encouraged and fostered. As a matter of fact, it would seem that bigness in industry is more or less a necessary



BY

FRED J. WRIGHT

The importance of the "super markets" in this discussion of the jobbers' attitude toward private and national brands must not be overlooked, says this publishers' representative.

development in American mass-production objectives.

So far as advertising is concerned, it will always depend on how the most merchandise can be sold on the most satisfactory basis by the manufacturers. The distributor is merely the go-between, delivering the products from the manufacturer to Mrs. Housewife.

The latter will probably always prefer and buy advertised goods in order to secure what she thinks is dependable and uniform quality, as long as she does not have to pay too high a premium for it. She does not care much about the R-P Act one way or the other.

If the advertising manufacturer, under the future operation of the R-P Act, should ever find himself being gradually eased out of the picture with his advertised brands, something else would have to be tried. He can always turn to the manufacturing of private-label goods for the same jobbers who are now or have been handling his advertised brands, providing that is the easiest and wisest course. As already stated, advertising means nothing at all to the manufacturer except an economical and well-sustained method of selling the largest possible volume of merchandise. If A. Krasne & Co. and Macy's and others like them in the wholesale and retail fields now want to do all the advertising because of the R-P Act, and have manufacturers such as Kellogg Co., General Foods and others confine themselves strictly to manufacturing and processing, that *could* be the outcome. But it isn't at all likely to be.

We advertising men can rest assured that in case the advertising manufacturers *were* actually to discontinue all advertising (merely hypothetical), nevertheless someone would still have to do just as much advertising as before, or there would be some very great slumps in the total consumption of various lines and kinds of prepared food products. The jobbers' dollars would look just as good to the newspapers and radio and magazines and billboard people as the Kellogg and Del Monte dollars. Nor would it cost Mr. Krasne, of A. Krasne & Co., and Macy's, and other distributors and retailers any fewer dollars to do this same complete job of advertising.

If the advertising burden were to be shifted to the jobbers and retailers, and the advertising manufacturers relieved of it, then would the short-sighted anti-advertising jobber or the retailer be able to keep on telling Mrs. Housewife that "somebody has to pay for all this advertising, and it must be you"? Certainly that statement would not be so

easy to make with the jobber himself doing all the advertising of prepared foods.

But now we come to a "mysterious stranger" lurking in the background. This newcomer's name is the Great Super Market. Let us consider him.

There were more than 2,000 of these big super markets at the end of last year, and they are said to have done approximately 15% of the total retail food business in the U. S. in 1936, as compared to the 250,000 other retail food outlets of various classifications which did the remaining 85%. This was not a bad showing. A super market is an enormous aggregation and display of food or a sort of "food circus," in an auditorium type of building which will provide space for several hundred or a thousand or more customers at one time. In volume of business, a food market (under one ownership and management) is a "super market" when it does a minimum of approximately \$250,000 of retail business annually.

It is predicted by those most familiar with the field that there will be not less than 3,000 of these super markets by the end of the present year. Some of those in existence now have reached the enormous volume of \$5,000,000 of business annually.

No Substitution Here!

Now the point of interest in this advertising and Robinson-Patman Act discussion is that, because there are no clerks in these super markets, Mrs. Housewife must make her own selections just as she does in the Piggly-Wiggly and other self-service stores—only more so. It becomes absolutely necessary to provide known brands and labels for her to choose from, so far as prepared foods are concerned.

Some of these brands may possibly be so-called "private label" brands; but if so, then they must have had considerable promotion placed back of them over a period of time in order to become well enough known to have the confidence of the consumer. Or if not well known, they must be sold at prices so much lower than known brands as absolutely to command attention. The latter is difficult to accomplish in the super market; all mark-ups are very low. Ordinarily there simply cannot be a very wide price differential between nationally advertised and unknown brands.

We must remember, too, that there are no clerks in a super market to use salesmanship with the customers—to tell them that these unknown brands are "just as good" and that they had better not buy the nationally advertised brands because "someone has to pay

for all that advertising." Mrs. Housewife must trust her own judgment.

In the meantime there will be the very strong pull constantly in her mind in favor of the advertised brands. Mrs. Housewife is sold on them before she comes to the super market. All she has to do then is to shop around and pick up the goods, using the knowledge she has gained from the advertising.

Now the question is: Are those jobbers now turning their efforts to their own "private labels" simply helping the big super market to draw

more thousands of customers away from the smaller grocery stores? Are they directing Mrs. Housewife to these enormous food displays where nationally advertised or at least well-promoted brands are the backbone of the scheme and where such goods may be more attractively priced than the chiselers were willing to price them even in the good old days of riotous bluffing and secret allowances?

Perhaps these jobbers will reply that the low prices of the supers on advertised brands will force them (the jobbers) to drop such lines completely.



CUT SALESMEN'S MILEAGE COST S to 3 1/3c.

In many cases savings of one-third to one-half your present costs result when R. A. Company Leasing Plan is adopted for fleet operation.

WHAT IS OUR PLAN:

By our assuming all items of service, maintenance and repairs of every kind and description, we lease nationally Dodge, Pontiac, Plymouth and Chevrolet sedans or coaches at an annual rate so low that substantial savings are assured.

COST

Per month
ANALYSIS: Dodge and Pontiac \$45.00
Plymouth & Chevrolet 43.00
Rental cost per year based on
\$45.00 per month\$540.00

Based on 24,000 miles, the average yearly mileage of salesmen and 18 miles per gallon or 1c per mile for gas..... 240.00

Average fleet cost Public Liability and Property Damage insurance 30.00
\$810.00

This total of \$810.00 divided by 24,000 miles gives you a total operating cost of .0337 cents per mile. As mileage increases, the cost per mile decreases because our rate remains standard. At 30,000 miles per year your cost would be .0290 cents per mile.

Our rate includes every item of expense incident to the operation of cars, except gasoline and Public Liability and Property Damage insurance which we do not furnish. The cost of these two items has been approximated, as above, based on our past wide experience. By adding these costs to our leasing charge we set forth what your actual cost per annum or per mile should be under our plan.

WHAT DOES OUR RATE INCLUDE:

A new car every 12 months. License plates in whatever states operated. Fire, theft and collision insurance.
All repairs, mechanical or otherwise. Chains and anti-freeze. Oil and grease. Tire repairs and replacements. Replacement of cars without any additional cost if destroyed by fire, collision or otherwise.
Purchase of your present equipment at fair appraisal value.

WHY SHOULD YOU BE INTERESTED?

Salesmen relieved of all worries and responsibilities prevalent with personally owned cars.
Corporations relieved of necessity of maintaining costly service garages.
You have no capital investment.
You have new cars every year, minimizing accidents.
You can estimate accurately your car costs a year in advance.
Your cars always have a creditable appearance.
Use of decalcomania permitted.
No restrictions on mileage or use of car at any time.

Let us discuss your car problems with you. We guarantee 100 per cent transportation. Complete references supplied.

The R. A. COMPANY
AUTOMOBILE LEASING
SUITE 1018 CHANIN BLDG.
NEW YORK CITY
also PHILADELPHIA, PENNA.

The effect, however, may be the opposite. Things have a way of working themselves out economically. The national advertiser wants to sell his goods to everybody who can deliver them to the consumer successfully. If the private label jobber can compete with the super market most successfully by confining himself to his own private-label goods exclusively, well and good. But we doubt it very much indeed.

It would seem that the survival of the small unit grocery store facing the drawing power of the big super market is dependent on two factors. One of these is comparable prices and the other is convenience and accommodation or service. The nearer the small grocery unit outlets, whether chain or independent, can come to meeting both these requirements, the more successful they will be in holding trade. But they certainly cannot survive without either of them.

Convenience and accommodation mean handy location for easy and frequent access, and willingness of the proprietor or clerks to handle what Mrs. Housewife wants and not bore her too much in trying to sell her "something else." That may mean a majoring on unadvertised and little-known brands and again it may not.

In our opinion, *not*. Although, admittedly, the price cannot be too far out of line on the nationally advertised brands. Mrs. Housewife will be quite willing to pay a small premium for the convenience, but not what she considers an unreasonable penalty. For example, anyone is willing to pay a fair premium for foods at a good delicatessen store after the closing hours of other stores or on Sundays and holidays.

There is a great psychological advantage in handling the leading brands which the supers also sell. For the reasoning of Mrs. Housewife will be thus: "Why drive way out to The Big Elephant Market for the same thing we can buy right down at the corner—price being anywhere near comparable?" But if she has to go all the way out to the Big Elephant Market to secure Heinz beans, Campbell's soups, Del Monte canned goods, and other nationally known brands, all of which are so beautifully and temptingly advertised and illustrated in her glorified women's magazines and in the food pages of her daily newspapers, she will do it and she will also buy a good many other items while she is visiting this great food circus. To the super market will go a great part of the food business which job-

bers and their small unit customers have been doing in past years.

Are the so-called "private-label" jobbers willing to encourage that sort of development in their battle to bring back the chiseling system?

Some of the supers, of course, deal to some extent in private-label goods. This is especially true where the chains are going into the super field as are A.&P., Bohack (in the New York area), and others. In these cases, however, the "private label" brands have themselves been pretty well advertised and established. Bohack, for example, is able to sell his own canned goods in his own supers frequently from 1 cent to 2 cents per can *higher than Del Monte* brands. That is something to think about. But it must be remembered that Bohack also carries the nationally advertised brands.

One of the most important things about nationally advertised, nationally known brands is that they establish values for Mrs. Housewife. She uses them for comparison. So, also, must the retailer use them for comparison. Prices of unknown brands mean almost nothing at all without this measuring rule which the advertised brands provide for comparison.

They, Too, Must Advertise

It would seem, therefore, that it would be practically impossible for any food dealer or any distributor to eliminate national brands entirely unless he indulges in a considerable amount of advertising expense for his own brands to make them widely known and wanted. That again re-establishes the motive and practice of advertising. So what? Well the chances are that the large national manufacturers who have become past masters at this advertising business will not be advertised out of existence in the near future by the new jobber advertisers, R-P Act or no R-P Act.

As a matter of fact, the greatest guarantee for the continued use and development of advertising is human nature. Especially in an economic system based on the profit motive. Whenever any manufacturer or jobber or retailer becomes ambitious to get ahead of competition and do more business than he has been doing, he is tempted to make use of advertising.

When he finds that advertising accomplishes the desired objective, at a *lower sales cost* than any other method he can use, he keeps on advertising no matter what the critics say. Often his competitors follow suit. You simply can't keep this law of human nature from working as long as advertising continues to be exposed for sale.

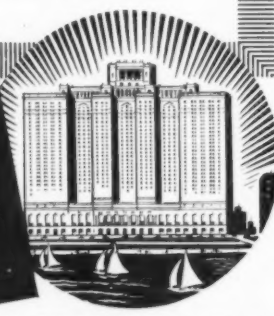
SALES MANAGEMENT

COOL AND COMFORTABLE

Air-cooled guest rooms, dining rooms, lobbies, meeting rooms, ballrooms, coffee shop and barber shop will assure you complete comfort during your summer visit to Chicago.

The Stevens Hotel offers the greatest amount of air-cooled area of all of the hotels in Chicago. Enjoy this crowning touch to the surpassing comfort always found at the Stevens.

STEVENS
"America's Grand Hotel"
CHICAGO



OTTO K. EITEL, Managing Director

Hotel Stevens Is Boosting All Chicago in Summer Campaign

"People in small towns find the rush of city life exciting," reasoned Paul H. Fassnacht, whose job it is to publicize the Stevens Hotel, Chicago. And thereby hangs the tale of the Stevens campaign to swell its desk register to better than "normal business" this Summer.

Mr. Fassnacht has visions of Chicago as the vacation center of the Middle West. He's out to make people want to come to Chicago—and when they do come, to stop at the Stevens. First step in the campaign was the publication of a booklet, "Step Out and Live," pictorially inviting thousands of people within a 500-mile radius of Chicago to do just that at the Stevens. On the same theme the Stevens built its Summer advertising in newspapers, radio and direct mail.

The whole campaign is the adaptation of resort hotel promotion. To cater to its Summer guests the Stevens assembled an array of resort hotel attractions—all described in "Step Out and Live"—a bit out of the ordinary for a commercial hotel. A luxurious cruiser, christened with the name of the hotel, transports guests on sight-seeing cruises along the shore of Lake Michigan and up the Chicago River. Swimming-minded guests may don bathing suits in their hotel rooms, call for a Stevens beach robe if they have forgotten their own, and go to a sandy beach nearby. The Stevens' block-long roof has been fitted with deck chairs, mats, and beach umbrellas for sun-bathing and loafing. "Vacation menus" are featured in the dining rooms. For children there's a "Fairyl-land" play room with trained supervisors. The hotel will even arrange shopping trips!

Not only the Stevens but Chicago and all of its hotels bid fair to benefit from the campaign, for all promotional literature and advertisements publicize the varied attractions of Chicago as a vacation center—Field Museum, the Aquarium, the Planetarium, stock yards, board of trade, etc. and Mr. Fassnacht's enthusiasm for Chicago as the vacation spot of the Middle West doesn't stop until after he's gone through the whole list of Chicago's beaches, parks, museums, theatres, stores, golf courses, tennis courts, big-league baseball attractions, and boxing matches. Summing it all up, "There is something to do every minute, in a setting at once stimulating and interesting!"

AUGUST 1, 1937

ANOTHER PAYROLL OF 1300 WORKERS!



ALL WILL READ YOUR ADVERTISING IN THE BAY CITY TIMES



Another large factory, the Bay Mfg. Co., (Division of Electric Auto-Lite) is now located in Bay City. And this is only one of Bay City's 120 industrial plants, with an annual payroll of \$10,000,000. Advertise to this busy market through the *Bay City Times*. Write or call L. A. Klein, 50 East 42nd Street, New York, or John E. Lutz, 435 N. Michigan Avenue, Chicago.

Ask for this Free Book


The 7 other Booth Newspapers are:

Kalamazoo Gazette
Grand Rapids Press
Jackson Citizen Patriot
Muskegon Chronicle
Ann Arbor News
Saginaw News
Flint Journal

The 8 Booth Papers

Cover Your Michigan Market Outside Detroit

LET A
SPECIALIST
TACKLE YOUR DIRECT
ADVERTISING PROBLEMS



● Whatever your direct advertising problem may be, let a specialist tackle it for you. At Donnelley's you will find a seasoned staff of merchandising men who have behind them a record for having created many outstanding direct advertising ideas and merchandising plans for leading national advertisers.

Knotty problems in direct advertising and merchandising fields are our specialty. We owe our growth to our ability to solve them quickly and completely.

Let us solve your problem.

THE REUBEN H. DONNELLEY CORPORATION
Direct Mail Division 350 EAST 22ND STREET, CHICAGO
 305 EAST 45TH STREET, NEW YORK • 1121 WALL STREET, LOS ANGELES

"Please Make This Gadget for Me, Mr. Manufacturer"

The 51st of a series of surveys sponsored by Sales Management and executed by the Market Research Corporation of America reveals consumer needs which are not being filled by existing products—or, in some cases, which the makers haven't promoted so that consumers know of the existence of the product.

IF YOU are a manufacturer, an inventor, a promoter, an advertising agent or a space or time executive, you will find meat in the most recent survey conducted for SALES MANAGEMENT by Percival White and Pauline Arnold of the Market Research Corporation of America.

Their field workers asked both men and women to tell them of time- and labor-saving gadgets which they would like to have in their homes.

The exact form of the question was:

1. How do you do? I am working on a study to find out what new gadgets or things about the house [women] would like someone to [men] manufacture for them. Perhaps you have some pet idea in the back of your mind you would like to express and see put into swing?
2. Are there any particular kitchen utensils or food containers that you would like to see invented or improved?
3. And what changes would you personally want made in radios or radio cabinets?
4. How about some helpful new or modified bathroom fixtures? What would you like to see done in that line?
5. Anything else?

The question was a popular one among respondents. Practically every one had at least one pet idea and the majority had several.

The responses are classified according to functions or place in the home. Respondents were men and women of more than average intelligence and economic standing in the New York metropolitan area and considering this background it is surprising that so many suggestions were made of products which are now on the market, but about which these people were obviously unfamiliar since the question clearly called for suggestions of new

products which they would like to see manufacturers produce. This indicates lack of sufficient promotion through the regular channels of consumer advertising, plus insufficient store promotion.

In the following brief summaries of new gadgets wanted, numerals in parentheses indicate multiple suggestions.

General Suggestions

(For the House)

Heating and Ventilating

Practical air conditioning system for the house that is inexpensive. (14)
Better inexpensive heating devices.

Cleaners

Self-oiling dust mop. (2)
Method of sponging or cleaning carpets and rugs inexpensively.
Paint cleaner that doesn't harm paint.
Chemical window cleaner.
Self-sterilizing box in which to keep bottles and nipples.
Cheap cleaning cloths for all uses—to be thrown out later.
Floor that would prevent dust formation.
Floor shiner that doesn't make floor slippery.
Chemical permanent covering to preserve furniture gloss and prevent scratching.

Electrical Devices

Indirect lighting for entire house—built-in fixtures. (2)
Gadgets to permit raising and lowering of lights.
Cheap escalator for landlords.
Electric window openers.

Other Household Devices

Attractive and inexpensive window screen which will allow full air-circulation but still prevent rain from entering.
Cabinets that can be raised out of reach of children.
A device for lifting heavy object for women.
Ironing board on wheels.
Clamp or suction cup for hanging pictures on plaster walls.
Adjustable seat on any chair.
Cheap curtains that can be thrown out when dirty.
House number to be seen at night.

Auto Aids

A shock absorber and protector for an auto that would encircle entire car.

A roof or over-all covering attached to body of car that sits out in open.
Cheap jack for lifting car at night to preserve tires.
Auto fenders of a material that would not flop, yet "give" in minor auto bumps.
More reasonable auto trailer.

Lawn Instruments

Electric stick with blades (horizontal and vertical) to turn grass edges, and cut out weeds, do hoeing, and which could be converted to use in cleaning cars.
Combination lawn mower and rake, operated by batteries, inexpensive.

Electric Clocks

Cheap clock that will open and close on electric circuit at specific time.
Electric clock with a more silent alarm.
Musical alarm clock—no stop.

Alarm System

Better alarm systems in houses and apartments. Doorbells and buzzers.
Doorbell silencer for night calls in apartments.

Household Aids

Moderately priced ironing machine that irons more pieces than at present. (2)
Light, cheap electric sweeper to be used on floors as well as rugs.
Cheap electric mop for polishing floors and furniture.
Lighter weight irons.
Electric wringer for washing machine that can be used without using washer.
Electric shoe shiner.
Electric whisk broom.
Inexpensive floor waxer attached to the vacuum cleaner.
Longer-lasting batteries for flash lights.

Clothing

Trousers that stay up by themselves.
Soft, inexpensive diapers to be used and then thrown out.
Paper clothing that can be worn and discarded.

Razors

Reduced price on electric shavers. (3)
Better razor blade which would last a life time and not be too expensive. (2)
Improved shaving equipment.

Massagers and Beauty Aids

Inexpensive electric hair-brusher and scalp-massager in one. (2)
Inexpensive massagers for the spine and body in general.
Method of taking beauty parlor bath at home.

Bedding

Slip cover for furniture, of a soft, cheap chemical creation, to be used and then thrown away. (2)
Electric blankets—inexpensive.
Bedding, sheet cases of thin material cheap enough to warrant frequent change and then to be thrown out.

Self Aids

Small collapsible machine for getting around stores; maybe on order of motor bike.
A walking aid—small contraption—something like Pogo stick with automatic tank-like machine to stand on with one foot, and foot rest for other foot; stick-on handle by means of which to control it. Inexpensive.
Different sets of steps under porch so one could enter or exit from any side.

Miscellaneous

Rope to tie around baby that lengthens and shortens as he goes and comes.

SALES MANAGEMENT

Creation of foods out of excelsior and chemicals on a mass production basis that would solve much of the food problem.

In the Kitchen

For Garbage Disposal

Container attachable to drain and easily emptied. (3)
Garbage grinder adjusted to drain of sink—garbage goes down sewer. (2)
Chemical incinerator for homes. (2)
Incinerator attached under drain of sink.
Electric inhaler that cleans up peelings without the necessity for one to handle them.

For Dishwashing

Inexpensive dishwashing machine. (4)
Machine that cleans and dries glasses and dishes well.

Miscellaneous

Collapsible chair attached under sink. (4)
Automatic valve lock for sinks. (2)
Foot pedal control for kitchen sink faucets.
Sinks adjustable to various heights.

Openers

Openers for jars sealed with rubber washers. (2)
Openers that do not break glass or bend lid.
Openers for cans that have been in boiling water.
Combined can and bottle opener.
Openers that are durable.
Openers that are easy to operate, safe, not tiring.
Easy-to-handle nut cracker.

Peelers and Brushes

Electric paring knife with jointed thumb protector—would look like letter "Y." (2)
Electric knife sharpener adjustable to various knife sizes. (2)
Combination food peeler and separator.
Adjustable, automatic vegetable peeler.
Potato slicer adjustable for various widths.
Potato peeler with less waste. (2)
Moderately soft wire scrubbing brushes for vegetables.
More and better paring knives or brushes to make vegetable cleaning quicker and easier.
Automatic watermelon seeder.

Cleaning Materials

Attachable brush for cleaning pots and pans. (2)
Chemical to cut grease and clean pans without rubbing. (2)
Disinfectant to clean dishes and remove bacteria.
Electric hand device to clean pots and pans quickly. (2)
Electric wet mop for washing linoleum.
Sweeper that automatically scrubs floors, with a cloth over it that absorbs water, and then with another brush that waxes floors.
Small, electric, mop-like machine to polish floors quickly.

Cooking Utensils

Less expensive, more efficient electric small hot-plates, percolators, fruit juicers, egg-beaters strainers, waffle irons, etc. (7)

All-in-one cookers that require little or no watching. (3)
Coffee dispenser that measures correct quantity per cup. (2)
Coffee roaster for home or apartment use.
Handles that don't get hot.
Device to lift hot dishes from stove.
Handles that collect less dirt.
Cookers so divided as to retain individual flavors.
Vegetable container with sieve.
Practical, healthful vegetable steamer.
Automatic rolling pin.
Something to make charged water at home.
Unburnable pans—false bottom, with slow evaporating chemical between first and second bottom.

* * *
EDITOR'S NOTE: The second half of this survey will appear in the August 15 SALES MANAGEMENT.

IN PER CAPITA
FURNITURE
SALES

First in America

IN PER CAPITA
HOUSEHOLD
APPLIANCE
SALES

Houston, Texas, is a city where people are proud of their homes. Department of Commerce statistics show Houston ranks first in the nation in per capita furniture and household appliance purchases among cities of 200,000 or more population.

Houston people are proud not only of their homes—but of their motor cars, their clothes, the food they serve—in fact, of all their possessions . . . And they have the money to maintain this pride.

Yes, Houston is a market of exceptional opportunity . . . and The Chronicle offers an exceptional opportunity for easy development of the Houston market.

THE HOUSTON CHRONICLE

Largest daily in Texas—Lowest milline rate
Leads the State in National Advertising

R. W. MCCARTHY
Manager National Advertising

THE BRANHAM COMPANY
National Representatives



Howard F. Dugan, for eight years manager of Hotel Statler, Cleveland, has been promoted to vice-president in charge of sales and advertising of Hotels Statler, Inc., New York. Mr. Dugan has been with the Statler organization since 1920. His appointment ushers in an intensive sales and advertising campaign for the Statler chain.

AUGUST 1, 1937

[41]

Here Are Twelve New Surveys—You Can Get Them Free

Specific results, actual figures, with no veiled allusions and no data withheld—that is what you will get out of the following carefully prepared surveys:

- New Interviewing Technique Measures Magazine Readers More Accurately.
- 2,000 Motorists Rate 1937 Cars on Their Appearance Value.
- Will He-Men Ever Be a Good Market for Scented Cosmetics?
- Will Canned Wine Be As Rapidly Acceptable As Beer in Cans?
- General Public Favors Insurance As Safest, Most Productive Investment.
- Who Are the Most Likely Victims for People Who Can't—or Won't Pay Their Debts?
- The Shopping Habits of Motorists: What Do They Buy, and Where?
- Do Discredited Advertising Claims Have a Limiting Effect Upon Sales?
- Firestone Is Picking Cream of This Year's College Graduates.
- Is Mama Being Shortchanged on Good Tools for Home Work?
- How Do Famous Men Spend Their Leisure Hours?
- How American Industry Is Putting Market Research to Work.

These surveys were made by the Market Research Corporation of America for SALES MANAGEMENT, from which they are reprinted by permission. You get these twelve surveys free with one year's subscription to MARKET RESEARCH, the monthly magazine. MARKET RESEARCH gives you the news of this newest but essential phase of modern business. It is the only magazine in its field. Read it and be up to date!

MARKET RESEARCH has no free list. The only way to get it is to subscribe. Use the coupon today!

**OFFER HOLDS ONLY WHILE
SUPPLY OF SURVEYS LASTS!**

MARKET RESEARCH
Rockefeller Center, N. Y.

Send me reprints of the twelve NEW surveys, and MARKET RESEARCH for one year.

I enclose \$1 (). Bill me for \$1 ().
(Foreign, \$2.)

Name
Company
Street
City

What Are the Most Popular Stations for Spot Programs?

(Continued from page 34)

Advertisers	Station	City	Rank
38	WMAQ	Chicago	23
38	WSPD	Toledo	23
38	WJAX	Jacksonville	23
37	WPTF	Raleigh	28
37	WBBM	Chicago	28
36	WJSV	Washington	30
34	WGL	Fort Wayne	31
33	WEEI	Boston	32
33	WTCN	Minneapolis	32
32	WEAN	Providence	34
32	WICC	Bridgeport	34
32	WGR	Buffalo	34
32	WBNS	Columbus	34
31	WKRC	Cincinnati	38
31	WIS	Columbia, S.C.	38
30	KYW	Philadelphia	40
30	WRC	Washington	40
30	WQAM	Miami	40
30	KWKH	Shreveport	40
30	KLZ	Denver	40
29	WTAG	Worcester	45
28	WDBJ	Roanoke	46
28	WOWO	Fort Wayne	46
28	WHAS	Louisville	46
28	KGO	San Francisco	46
27	WMBD	Peoria	50
27	WAPI	Birmingham	50

Live vs. Transcription

The 734 advertisers used 2,431 programs during the three-month period. Seventy per cent were live, 30% transcription. Recorded programs had their greatest popularity in the automotive, building materials, tobacco, drug and toilet goods, and food and food beverage classifications. A fairly large group of advertisers used a combination of live and transcription, including Chrysler, Chevrolet, Edgeworth, Baby Ruth, Anacin, Father John's Medicine, Crazy Water, Cystex, Alka-Seltzer, General Mills, Kroger, and Ovaltine.

The second installment of this spot radio survey, to appear August 15, will list 167 stations, divided by states and geographical districts, and the number of advertisers and number of programs of each.

Spot Radio Advertisers by Industry Groups

(First Quarter, 1937, Publishers' Information Bureau Figures)

Class	No. of Advertisers	Amount, 1st Quarter	Spot % of Total	Network % of Total
1. AUTOMOTIVE	27	\$174,347	4.63	11.65
a. Passenger cars.....		159,989		
b. Tires and tubes.....		5,344		
c. Accessories.....		9,014		
2. BUILDING MATERIAL AND EQUIPMENT	16	35,512	.94	.60
a. Construction materials.....		26,680		
b. Inside fittings.....		8,832		
3. CIGARS, CIGARETTES AND TOBACCO	17	196,211	5.19	7.55
4. CLOTHING AND DRY GOODS	13	17,297	.46	.43
a. Men's clothing.....		12,772		
b. Women's and children's clothing.....		3,215		
c. Dry goods.....		1,310		
5. CONFECTIONERY AND SOFT DRINKS	29	131,313	3.48	2.08
a. Confectionery, gum, ice cream...		78,575		
b. Soft drinks and supplies.....		52,738		
6. DRUGS AND TOILET GOODS	147	985,291	26.12	27.68
a. Cosmetics.....		67,403		
b. Toilet goods.....		82,224		
c. Dentifrices.....		36,532		
d. Perfumes.....		3,808		
e. Drugs and proprietary.....		795,324		
7. FINANCIAL AND INSURANCE	15	33,411	.88	1.21
a. Financial.....		27,521		
b. Insurance.....		5,890		

(Continued on facing page)

Spot Radio Advertisers by Industry Groups

(First Quarter, 1937, Publishers' Information Bureau Figures)

(Continued from facing page)

Class	No. of Advertisers	Amount, 1st Quarter	Spot % of Total	Network % of Total
8. FOODS AND FOOD BEVERAGES.....	173	\$919,425	24.39	26.13
a. Cereals and flour.....		176,751		
b. Food beverages.....		130,065		
c. Fruits, nuts and vegetables.....		44,206		
d. Meats.....		70,970		
e. Miscellaneous foods.....		497,433		
9. GARDEN AND FIELD.....	17	42,147	1.12	.02
a. Fertilizers.....		3,809		
b. Seeds, plants and nursery stock..		38,338		
10. HOUSE FURNITURE AND FURNISHINGS	26	95,796	2.54	1.27
a. Kitchen equipment.....		3,797		
b. Refrigerators.....		10,636		
c. Power equipment.....		20,168		
d. Floor coverings.....		43,984		
e. Furnishings.....		17,211		
11. JEWELRY AND SILVERWARE	12	166,840	4.43	.29
12. LUBRICANTS, PETROLEUM PRODUCTS AND FUEL	28	303,062	8.04	5.82
13. MACHINERY, FARM EQUIPMENT AND MECHANICAL SUPPLIES	14	22,078	.58	.45
a. General machinery.....		10,432		
b. Farm machinery, accessories and farm equipment.....		9,558		
c. Dairy equipment.....		195		
d. Tractors and equipment.....		1,441		
e. Poultry and livestock equipment..		452		
14. OFFICE EQUIPMENT	1	20,575	.54	
15. PAINTS AND HARDWARE	15	15,730	.42	.77
a. Paints.....		15,730		
16. RADIOS, PHONOGRAPHS AND MUSICAL INSTRUMENTS	8	\$22,020	.58	4.29
a. Radios and phonographs.....		8,219		
b. Musical instruments.....		13,701		
17. SCHOOLS AND CORRESPONDENCE COURSES	7	15,558	.41	.04
a. Correspondence courses.....		4,965		
b. Residential schools.....		10,593		
18. SHOES AND LEATHER GOODS	13	24,190	.64	.01
a. Men's Shoes.....		11,377		
b. Women's and children's shoes....		9,017		
c. Shoe accessories.....		3,796		
19. SOAPS AND HOUSEKEEPER'S SUPPLIES	30	213,596	5.64	7.16
a. Laundry soaps and cleansers.....		193,944		
b. Housekeeper's supplies.....		19,652		
20. SPORTING GOODS	5	7,529	.20	
a. Sporting goods.....		5,529		
b. Aircraft, watercraft and supplies.		2,000		
21. STATIONERY AND SUPPLIES	23	60,911	1.62	.91
a. Stationery and supplies.....		12,691		
b. Publishers.....		48,220		
22. TRAVEL AND HOTELS	23	40,982	1.08	.25
a. Transportation.....		38,151		
b. Hotels and restaurants.....		2,831		
23. WINES, BEER AND LIQUORS	29	58,299	1.54	.15
24. MISCELLANEOUS	46	166,643	4.42	1.24
Total, 167 Stations.....	734	\$3,768,763		

The **SCHELBRO** Sales Coach



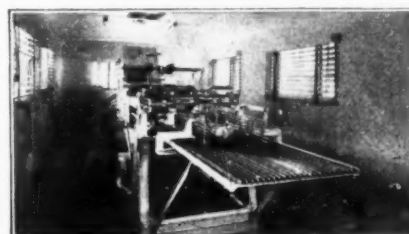
EXPERIENCE

Pioneer coach-builders, and the only makers of commercial coaches exclusively, SCHELBRO Sales Engineers have improved the selling methods of hundreds of the Nation's leading manufacturers and distributors.

Among the nationally famous products "Sold on Wheels" with the SCHELBRO Sales Coach are: ABC Washers, Parker Pens, Knapp-Monarch appliances, Dennison, Easy Washers, Stewart-Warner, Zenith, Thor Washers, Motorola, Valvoline, Crosley.

Catalog and quotations gladly furnished on request . . . without obligation.

SCHELM BROS. Inc. PEORIA, ILLINOIS
Interior of Gellman Bread Slicer display coach shown below.



**FOR A GOOD-WILL
SALES BUILDER
THERE IS NOTHING
BETTER THAN
A SMART
PERSONAL
Redipoint.**

Ask us to
outline a
REDIPOINT
Plan for
your
business.

One hand
operates it

Automatic
Pushback
Saves Lead
and
Pockets

Redipoint.
BROWN & BIGELOW
Remembrance Advertising
SAINT PAUL • MINNESOTA

The 1937 Answer to Macy's

(Continued from page 19)

their claim which acknowledges a heritage running back to 1858:

"A Reminder

"The 67-year-old policy of lowest-in-the-city-prices means that Macy prices are at least 6% less, every day of the year, on every article of merchandise. This applies not only to regular stocks, but to the special items offered in competitive sales as well. Our customers may read the advertisements of other stores with the knowledge that they can make their purchases at Macy's and, as usual, save at least 6%."

This in some particulars is the most inclusive statement of all, a remarkably audacious revelation of what they seemed really to want the community to believe. To me it is self-refuting on its face because of the physical impossibility of keeping track of what is going on in thousands of other stores, let alone the matching and undercutting of them all on everything they sold. Too, I sense a parasitic strain in their suggestion that they be given the benefit of the advertising of their competitors!

We see, then, over what a long period Macy's had become publicly committed to the claim of underselling and how irrevocable that position no doubt has come to seem to them. Hence the explanation of their unrelenting struggle against any legal price-maintenance curb that would exempt the best known and most easily compared articles on their counters from being offered at 6%

under the prices of the same things in other stores! It is easy to compare prices on Kodaks or BVD's in one store against another's, but it is difficult to be sure whether one is getting 6% better value (or equal value) than can be obtained elsewhere if he buys Macy's private brands of goods which are sold only by Macy's and are hard to compare.

Between 1925 and 1932 the laws against misleading advertising began to make their effect felt in the business world. The Better Business Bureaus were functioning vigilantly. The New York Bureau filed a complaint against Macy's underselling claims and submitted hundreds of instances of identical merchandise where lower prices were obtained in other stores, frequently in obscure little stores which made no pretence of underselling. The complaint was finally dismissed but in the meantime Macy's had tempered their claim to

"The endeavor to sell its merchandise for at least 6% less than it could if it did not sell exclusively for cash."

This of course is very non-committal but it carries the suggestion of the older claims. It is instructive, however, to note the contentions urged by Percy Straus during the NRA days against a proposed provision of the Retail Code which would have outlawed general claims of underselling. He said at a hearing:

"We oppose any attempt to prevent any merchant from presenting to the public in any form of appropriate words, his econom-

ically justifiable claim that generally lower cost of operation permits economies which are passed on to his customers. There are economies from cash sales exclusively; we own out-of-town cash and charge stores and we know."

Here, Mr. Straus based his justification upon economies of operation; but he evidently wanted no tribunal set up before which such claims must be established. Anyone on his own unproved say-so was to be allowed the unlimited privilege of claiming in the public prints or over the air that he operated at lower costs than others whose costs he could not know.

The Macy claim of today is reduced to an "estimate" and "endeavor" but it ties up with its predecessors by continuing the old "cash" and "6%" references:

"We sell only for cash. Resulting economies including efficiency and volume save, we estimate, 6%. We endeavor to have the prices of our merchandise reflect this saving, subject to limitations over which we have no control."

Tragic Price Cutting

This falls far short of the claims of 1925, but coupled with their current anti-Fair-Trade agitation it seems animated by the same purpose. The only apparent change is that required by "limitations over which we have no control." The only thing that I can spell out of this record is what Macy's would like to do and how far they think they can go under the developments of the day.

Over the years, with other great stores such as Gimbel's, Saks, McCreery's etc., within a stone's throw of Macy's, not to mention others throughout the city, it naturally rankled to have one store claiming to undersell them all and to have well known goods used to "prove" the claim. Often these others refused to be so undersold on leading items and met the Macy cuts. Thus price wars started on prominent articles with Macy's initiating the cut, others meeting it, Macy's cutting again and sometimes continuing to ridiculous, though to the smaller dealers tragic, ends, because an individual store of great wealth insisted upon doing what it refused others the right to do and thus precipitated costly battles.

Needless to say, the makers of goods so employed were at their wits ends, for when a cut starts it is hard to localize it and prevent the product from becoming profitless to handlers over wide areas. Hence the Macy



Ages of Paper: Nekoosa-Edwards Paper Co. enlightens its distributors on the history of paper-making with an art calendar that tells the picture story of the development of paper from the early Egyptian use of papyrus to modern methods of manufacturing. A written description on the back of the calendar interprets the pictures.

policy which had its roots in the claim of superior efficiency and cash selling, assumed an importance out of all proportion to the Macy volume *per se* and became a problem to many national manufacturers. We need not follow into the ramifications resulting from the fact that refraining from selling to a store was no solution. If the goods were in demand, they could be procured by getting others to buy them for it.

So much for what has gone before. It is understandable if now, when the law steps in to fix price standards which can be invoked to protect nationally known articles, Macy's should feel that a foundation stone is crumbling under them.

Cutting to Bolster Appearances

I wonder if they are not so close to the situation that they cannot see it in perspective. While I have nothing but an outsider's opinion to support it, I don't think the issue is of such importance to them as their present campaign against the Fair Trade Law might lead one to infer. Admittedly, they ought to know their own business better than I can, but I believe they have outgrown the need for their old price claims. Their position is established as the largest store of its kind in the world. They have splendid ingenuity and great power. I cannot help thinking that they can prosper just as well if they discard this claim. But whether through pique at having to yield to the authority of the law or for better reasons, they evidently think they see an opening to make, in their new campaign, what looks to me like only a grand-stand play.

I have always held that Macy's price cutting on well-known articles, as with others who have followed this practice, was to bolster up the appearance of general bargain giving.

Indeed, in an advertisement in 1902, Macy's themselves said, "How about books? We use them to illustrate because you *know* books. They silence criticism. Our rates range from 10c. to \$1.50 less than others ask for the same books. We save you much more on other lines."

Their argument that they could afford to undersell because of superior ability did not appear to be borne out by the profits they exacted on other goods.

Their current advertising seems to be of a piece with their past performances. Their advertisements are of two sorts. One presents general arguments and conclusions. The other presents specific items of merchandise of their own brand, compared in detail with price-maintained articles of sup-

IN Chicago!

A SUITE LIKE *this*

\$600

FOR TWO PERSONS

TWIN BEDS — BATH
— PARLOR — RADIO

A SINGLE LIKE *this*

\$250

With Bath and Radio
(Special weekly and monthly rates)

HOTEL Allerton
MICHIGAN AT HURON . . . CHICAGO
"CLOSE TO EVERYTHING"

JOHN P. HARDING
Hotel
MANAGEMENT
NEW WILLIAM WARD

On upper Michigan Avenue in the heart of Chicago's near north side—a few minutes' walk from loop offices, business and amusement

centers. Complete social program includes weekly dances, bridge and entertainment for guests and friends at no extra cost.

TRAVEL-TIRED?

When you're exhausted from the strain of a long trip, and you crave a place to stretch out and relax—there's nothing more wonderful than to walk into an Albert Pick hotel, where you are made to feel AT HOME, and enjoy the luxury of personal service, restful slumber and delicious food in air-conditioned dining rooms. At prices that are easy on your pocketbook.



Real Comfort **17**
IN ALL
ALBERT PICK HOTELS

5000 ROOMS IN 8 STATES

CHICAGO, ILL. GREAT NORTHERN

DETROIT MICHIGAN TULLER
DAYTON, OHIO MIAMI
COLUMBUS, OHIO CHITTENDEN
COLUMBUS, OHIO FORT HAYES
TOLEDO, OHIO FORT MEIGS
CINCINNATI, OHIO FOUNTAIN SQUARE
CANTON, OHIO BELDEN
ST. LOUIS, MO. MARK TWAIN

INDIANAPOLIS, INDIANA ANTLERS
SOUTH BEND, INDIANA OLIVER
ANDERSON, INDIANA ANDERSON
TERRE HAUTE, INDIANA TERRE HAUTE
JACKSON, TENNESSEE NEW SOUTHERN
ASHLAND, KENTUCKY VENTURA
OWENSBORO, KENTUCKY OWENSBORO
WACO, TEXAS RALEIGH



PICK, in print, should always

suggest ALBERT PICK HOTELS . . .

"THINK OF GETTING THOUSANDS OF PERFECT PICTURES OF ALL OUR PRODUCTS AT SUCH TRIFLING COST"



PRODUCT-STAMPS
A New Advertising Medium
That Almost Every Business
Can Use Every Day.

... Want to add sales punch to your letters?
... Want to cut dictating and typing time?
... Want to advertise your products in numerous economical ways?

Read all the remarkable facts about Product-Stamps in this interesting, illustrated booklet. It's full of profitable ideas. Address: McLaurin-Jones Company, Brookfield, Mass.

© 1937

Product-Stamps can be produced by any printer or lithographer using

McLAURIN-JONES
Summed Papers
GUARANTEED
FLAT



ENJOY THE BEST IN NEW YORK

The Ambassador offers you a truly fine hotel, a distinguished address and a convenient location. Single rooms from \$5.00 Double \$7, Suites \$10.00

Ownership Management
I. C. Thorne & I. J. Atkinson

The Hotel Ambassador

PARK AVE • 51st to 52nd Sts.
NEW YORK



posedly identical character at higher prices. It is my conviction that this advertising is calculated to serve the same purpose as was served by cutting national brands.

Take the aspirin advertisement for example. It appeared in the New York newspapers during the week of April 1. Here are two bottles of aspirin shown side by side. One is said to be a well known brand. The other is Macy's. Specifications follow in a "deadly parallel" showing both to be substantially the same. Though not stated, the price of the well known brand is maintained under the Fair Trade Law at 35 cents. Macy's is offered at 18 cents. So far so good. Probably every word of the advertisement is literally true. Nevertheless, in its entirety I submit that it is grossly misleading.

When nationally known articles are advertised at reduced prices, I contend, it is mainly to lead people to conclude that the advertiser's is a good place to trade, rather than for the purpose of doing business on the cut-price items. Let us see if this aspirin offering is not of that ilk.

That Famous Aspirin Ad

The advertisement says that the 18-cent price "includes a profit to Macy's and to the manufacturer." The lay public would assume and has a right to assume that this means a representative, normal profit that reflects Macy's and the manufacturer's customary manner of doing business.

I have obtained the actual physical cost of production in confidence from two large manufacturers of aspirin tablets. One informs me that the factory cost without administrative or sales or advertising expenses on bottles of 100 tablets, as shown by Macy's, is 13.3 cents per bottle in quantities much larger than any individual store could handle. The other gave the cost on the same basis as 13.7 cents. Assuming for the moment that Macy's manufacturer could produce the Macy bottle at the average of these, his cost would be 13.5 cents. He could scarcely be said to be making a profit if he sold to Macy's at less than 15 cents. If Macy's paid 15 cents and sold for 18 cents they could hardly be making enough to pay their sales clerks—to say nothing of paying for the advertising, floor space and all other expenses. In 1926 Percy Straus testified that Macy's expense for salaries and wages was 17% of sales and it must be more today. In buying at 15 cents and selling at 18 cents it could be said that they were making a "profit" but it would not be the sort of net profit that enabled them to earn

\$3.06 per share net on their stock last year. It would apparently net them a loss and so would make misleading their statement that 18 cents included a "profit to Macy's."*

Now I do not know Macy's actual costs but in similar matters I have found this process of calculation fairly reliable and representative of normal conditions. At any rate it is a matter of record that Percy Straus, President of Macy's, testified at a public hearing in Washington some years ago that on a list of proprietary articles on which Macy's set their own prices their mark-up was 64.9% on cost and on aspirin was 70%. On such a basis, if they now pay 15 cents for aspirin, their usual price would be 25 cents or 26 cents.

Sales Without Profit

The Harvard Bureau of Business Research, in cooperation with the National Retail Dry Goods Association, reports the average operating expenses of department stores for 1936 as 34.9% of sales. New York stores are not the lowest. Neither are the larger ones the lower. I surmise that Macy's expense cannot be less than 33.3% and that they must add 50% to cost to cover expenses without any allowance for profit on goods that they sell by their own efforts instead of on demand created by manufacturers. On such a basis again they would seemingly have to get 25 cents to be making a profit on aspirin that cost 15 cents.

I hold, therefore, that this advertisement of theirs creates a false impression and does not justify the impression that the reader is expected to draw from it. This advertisement is typical of a series of others thus far confined to drug or cosmetic items which we all know carry an unusual

* (Since writing the foregoing I have heard Q. Forrest Walker of Macy's say in a public meeting that Macy's pays 11 cents for the aspirin. On another occasion I heard him quote what my notes made at the time give as 13½ cents. I have tried to check with him on these apparent discrepancies. He was unable at the moment to refer to the official records but was confident that the 11-cent price was right. If their manufacturer can make a price of 11 cents and still make a net profit for himself he has something to teach two other large producers in this line and I cannot but wonder if such a transaction does not contain an element of preferential buying contrary to the Robinson-Patman Act. There are of course all kinds of ways of figuring costs and profits and an accommodating manufacturer who was getting a large volume of business on many different items might find ways of letting some items escape some of the charges that would be assessed against others. Or he might mistakenly underestimate his costs.)

margin of gross profit. This in itself conveys a specious idea for it would lead the lay person to assume that throughout the store similar savings could be offered, whereas in reality, there is no such margin to play with across the whole board.

These advertisements of theirs, I say, are false in that they convey the idea that the Fair Trade Law has raised prices from a legitimate level to an illegitimate level. This is not the truth. To the extent that it has raised prices at all it has, with possibly a few unimportant exceptions, raised them only on items or in stores where they were ruinously demoralized. Instead of being from a fair to an unfair level, the reverse is the fact.

What Is a Barnacle Brand?

As a matter of fact, is not this whole campaign parasitic? Is not the Macy brand of aspirin a "barnacle" brand? A barnacle is a thing that attaches itself to the hull of a ship and moves only when the ship moves. I wonder at what price Macy's would be selling aspirin or whether they would be selling it at all if somebody else had not first perfected aspirin and created public acceptance for it by great effort. Under the guise of public benefaction are not most private brands mere barnacles, things that attach themselves without creative talent and penalize initiative in the main?

But now let us see roughly what Macy's spent on advertising their aspirin. The advertisement appeared in the *New York Times*, *Herald-Tribune*, *American*, *News*, *Mirror*, *Journal*, *Sun*, *World-Telegram* and *Brooklyn Eagle*. I have not checked the *Jewish*, *German*, *Italian* or other foreign language or suburban papers but I suppose it appeared in some of them. I estimate that the space, figured at the lowest published rates of the newspapers, cost approximately \$10,000 for this one piece of copy. It seems improbable that Macy's covered their expenses on this item even without counting the advertising costs. But assume for illustration that they made 2 cents a bottle before the advertising charges are counted. It would then require the sale of 500,000 bottles just to pay for the advertising. That one advertisement would have to sell about 2,000 bottles every business day for a whole year. It would have to be more potent than the tablets in the bottles! If it sold 50,000 bottles, which I doubt, the advertising alone would have cost 20 cents for each bottle sold at 18 cents.

Obviously then, such an advertising outlay could not have been projected on any expectancy of aspirin sales. For

what was it done? Take two guesses. The series of advertisements aimed at the Fair Trade laws thus far must have cost upwards of \$100,000 and they continue to appear. If such a sum were being spent to extend these laws would not Macy's characterize the exploit as an iniquitous and coercive lobby?

It must be evident that Macy's advertising in their present campaign is for general effect rather than for specific sales of the goods advertised. There is perhaps an illuminating connection between their current procedure and the long thread of evidence in the public prints as to their practices running back according to their own statement some 79 years. They criticize the Fair Trade policy (to which the country has swung) as being unsound public policy. Their own published announcements give an index to their conception of what fair competition really consists of.

Macy's publish that prices on "price-fixed" articles in their store have risen steeply—cosmetic items by 8.5%; drugs 17%, liquors 12.9%; books 32.9%. Considering for example that "Gone With the Wind"—which I am reliably informed cost \$1.50 net—was selling at 89 cents and now must be sold at a profit, it is not surprising that books show a jump that was needed about as badly as an increase in wheat when the farmers were getting 38 cents a bushel for it.

According to newspaper reports, when the publishers placed "Gone With the Wind" under Fair Trade contracts, Macy's had on hand 35,000 copies which Macmillan's took back. If they had sold these at 89 cents, losing 61 cents per copy, their loss on this one item would have been \$21,350 plus overhead expenses of probably \$10,500 or a total of more than \$31,000. Such a loss would bankrupt all but a negligible number of the book-sellers of the country! But aren't these disclosures of the effects in Macy's more an index of the extent to which this store was employing branded goods as leaders than an indication of what is going on in the big world outside?

What is happening in one store, even Macy's, is not a fair criterion of general conditions. It would be quite misleading to infer that prices generally were increased except where it was needed. And stable conditions over a reasonable period will permit general reductions which will benefit the whole public instead of the customers of a single store. Too, considering the great increase in Macy's sales reported on their private brands—which, according to Mr. Straus' testimony, appear to carry a mark-up of 60% or more over cost—and the decrease on national brands which Macy's formerly sold at perhaps 26% above cost according to the same

(Continued on page 55)



**NATION-WIDE
AIR
EXPRESS**
NORTH—SOUTH
EAST—WEST

AIR EXPRESS, the one complete, super-swift, nation-wide way to ship. Delivers day and night in the United States and Canada. Also to Honolulu, Latin-America and the Far East. Cost low. Prompt pick-up and delivery. For service or information, phone RAILWAY EXPRESS—AIR EXPRESS Division.

**AIR
EXPRESS**
DIVISION
RAILWAY EXPRESS
AGENCY, INC.

TORONTO
MONTREAL
WINNIPEG
LONDON, Eng.

GIBBONS KNOWS CANADA

J. J. GIBBONS LIMITED • ADVERTISING AGENTS

REGINA
CALGARY
EDMONTON
VANCOUVER

Magazine and Radio Expenditures

(July and year to date—in thousands of dollars)

Compiled for SALES MANAGEMENT by Publishers' Information Bureau, Inc.

Class	NATIONAL MAGAZINES				RADIO			
	July		January-July		June		January-June	
	1937	1936	1937	1936	1937	1936	1937	1936
1. Automobiles	1,204.4	1,115.0	8,202.3	8,725.5	428.2	302.0	3,255.2	2,152.9
2. Auto Accessories	1,224.7	875.9	5,101.0	4,359.7	476.1	323.7	2,903.2	2,356.8
3. Clothing	520.4	393.7	4,401.3	3,477.8	32.2	25.9	147.9	191.5
4. Communication	90.0	64.1	623.5	489.6	....	....	....	....
5. Electrical Household Equipment	465.5	362.9	3,499.7	3,169.4	100.8	8.7	583.1	44.3
6. Electrical Structural Equipment	203.0	92.0	1,073.9	522.6	....	....	....	....
7. Financial	352.1	291.6	2,405.1	2,250.9	71.4	39.0	423.8	246.5
8. Foods	1,165.1	1,419.3	9,674.0	9,309.8	949.0	788.5	6,353.8	5,127.9
9. Food Beverages	338.2	393.1	2,350.7	2,432.2	453.9	313.6	2,906.9	2,288.0
10. Beer, Wines and Liquors	491.6	368.0	3,384.6	2,160.4	....	....	27.7	....
11. Confections	116.7	137.4	631.0	742.9	105.2	72.0	708.9	665.4
12. House Furnishings	108.5	87.9	3,144.4	2,284.5	....	26.7	11.3	185.8
13. Kitchen Supplies	267.9	95.6	1,935.6	1,085.3	3.9	43.7	31.5	295.2
14. Soaps, Cleansers	363.9	386.4	2,831.7	3,138.2	560.0	290.6	2,946.3	1,514.2
15. Jewelry, Clocks, Watches	52.6	55.4	504.6	350.0	1.2	9.2	65.9	145.8
16. Machinery	72.4	30.3	508.0	277.2	9.4	....	113.5	36.9
17. Office Supplies	157.5	142.2	1,318.9	1,064.8	....	7.6	....	388.3
18. Publications	72.6	66.6	852.3	709.7	49.8	27.9	335.3	138.8
19. Radios	57.7	67.9	535.1	759.7	111.1	103.4	1,126.7	637.5
20. Smoking Materials	609.6	525.5	4,495.0	3,603.8	615.8	393.3	3,174.8	2,262.7
21. Sporting Goods	156.7	117.4	1,424.4	1,176.9	25.8	....	83.6	....
22. Structural Materials	120.6	53.7	876.9	596.1	....	....	91.8	58.9
23. Structural Fixtures	117.2	171.4	1,620.9	1,242.4	24.2	....	277.5	266.6
24. Toilet Goods	1,759.9	1,382.1	12,792.1	9,776.8	1,029.5	743.8	6,315.1	5,792.1
25. Medical Supplies	614.8	524.2	5,536.9	4,589.7	462.0	322.3	3,192.9	2,511.1
26. Travel and Accommodations	444.9	350.8	3,945.9	2,873.8	....	....	51.7	26.6
Miscellaneous	986.5	947.6	8,399.6	7,374.9	44.6	110.5	401.8	820.5
Total	\$12,136.2	\$10,519.1	\$92,070.7	\$78,546.0	\$5,554.9	\$3,953.1	\$35,531.2	\$28,155.1
% Increase	15.37		17.22		40.52		26.19	

Note—The National Magazines checked total 108 publications, 16 weeklies and semi-monthlies for June and 92 monthlies, including *Vogue*, for July. All figures are based on one-time or single insertion rates.

Note—Network Radio Broadcasting figures cover national or chain broadcasting over the networks of the National Broadcasting Company, Columbia Broadcasting System and the Mutual Broadcasting System. The figures cover facilities only and do not include talent.

Competitors "Help" Oldetyme Strengthen Sales Methods

(Continued from page 32)

spots," whether bars or package stores, ignoring almost completely the remainder of their territory. Although these establishments may do most of the business, he pointed out, greater competition there makes victory costly. Besides, "five one-case orders are to be preferred to one five-case order.

"None of the jobbers wants a distiller's missionary man to accompany his own men. It interferes with the normal performance of their duties. While a jobber naturally prefers to have a missionary man assigned to him exclusively, he believes that from the distiller's viewpoint it is better to assign him instead to a definite territory.

"Jobbers resent missionary men taking reorders. They prefer these to come from their own men. And they greatly resent the common practice of

missionary men of copying orders from their own men."

From his observations, Mr. Patton made the six recommendations listed in the box on page 26.

Too Many Jobbers?

Mr. Patton found that jobbers, retailers and marketing counselors agreed that "the least number of jobbers to obtain adequate market coverage should be appointed." They believed that a "certain relatively fixed and inelastic volume of sales automatically was accruable to any brand. Beyond a certain point the addition of jobbers to the list, instead of increasing this volume, would rob existing jobbers. The value of the distiller's franchise would be lessened, and the jobbers' concentration, interest and cooperation lost." Too many jobbers also would increase the dangers of price-cutting.

"With a proper jobber structure, increased volume should be sought more through concentrated and intensified efforts."

There should be a "proper proportion of both large and small jobbers,"

to provide both "coverage and concentration. . . . With a strict price maintenance policy, and all jobbers being kept on the same basis, the open territory plan is most successful."

To one problem which besets other industries—notably foods and drugs—Mr. Patton found the liquor industry now virtually immune. Wholesalers and retailers generally do not emphasize, or even carry, private brands. "Well over 50% of the public now buys by brand." The boasted power of storekeepers and barkeepers to "sell anything they want" does not obtain any more. These dealers admit that the risk of a dissatisfied customer through switching is not worth the trouble, or the temporary profit.

Although poorer people still consume a lot of straight whisky, retailing at 59 or 69 cents a pint, and high enough in "proof" or alcoholic content to give a low-cost "kick," the demand for better grade whiskies is growing. Better times have had something to do with this. So has the increase in the number of women drinkers. "The public today," Mr.

Patton said, "is coming to prefer mild, light-bodied whisky."

The distillers are providing it. Their advertising is paving the way. One storekeeper pointed out that "the brand is sold outside the store." By the same token consumer tastes are being formed, by advertising emphasis on "mildness," outside the store.

The distillers as an industry have become one of the largest advertisers. One company will spend \$6,000,000 in advertising this year. Oldetyme itself will spend \$1,500,000. But the advertising, for one thing, does not usually follow the sales trend with enough consistency. Dividing the year into thirds of four months each, about 30% of the total whisky sales are done in the first period, 20% in the second period (due to the Summer rise of gin), and 50% in the third. Oldetyme last year, instead of increasing advertising in the Fall and Winter, with increased sales expectancy, actually reduced it. Other companies have followed even more erratic advertising curves.

It was also found that a New Jersey county with 100,000 less population than an adjoining county, received 30% of the state's advertising linage, whereas the larger county received only 11%. One county with 7.4% of the population and 9.6% of the liquor licensees received 16% of the advertising linage. These discrepancies, however, are being rectified now.

"Drys" Will Stay Dry

Population, of course, is not the only factor. Wealth is important, too. But particularly important are the wet or dry leanings of the area. Generally, Mr. Patton believes, "wet people" remain that way, and vice-versa. Along with tax returns and estimates of spendable money income and actual liquor sales, Oldetyme gauges the potentiality of an area by the proportion of people who voted wet and dry in that historic decision of 1933.

The liquor industry, experiencing the morning after its wild sales party, is getting down to earth and down to facts. Research is being placed in its fundamental role. Products, prices and promotion are being weighed more in terms of gaining and holding customers than of forcing sales. Jobber and dealer relations are being based not only on let-live but help-to-live contacts and policies.

The distillers are beginning to learn—as William H. Patton, with their help, found out for himself—that it is worth a great deal of effort and adjustment to have customers "see them" favorably.

AUGUST 1, 1937

5,000 TYPICAL HOMES

WE are just completing a survey of 5,000 typical homes throughout the United States. We obtained information on home ownership, whether families are considering buying or building, and whether any repairs or improvements are planned.

Information is available on refrigerators of all types, also radios, automobile radios, and washing machines. We can give you number and make of each in the home, whether owned or rented, year bought, intention to buy or replace, and if so, make to be bought.

Information on toilet soaps, bar soaps used for non-toilet purposes, and packaged flakes, chips, beads, etc., includes: Brand on hand, other brands used, and brands previously used and stopped using.

The above may be broken down, if required, as follows: By class of home, geographical (territorial) divisions, town-size groupings, type of dwelling (single, two-family, apartment), whether family now owns or rents, ages of adult members of family, ages of children, total number in family, occupation of male head.

The above data may also be broken down by seventeen leading magazines found in homes visited.

Write us for quotations.

MARKET RESEARCH CORPORATION OF AMERICA

Pauline Arnold
Percival White

Rockefeller Center, New York
120 S. La Salle St., Chicago

*Gives you guidance in making marketing decisions
and building sales and advertising plans*



MEDIA AND AGENCIES

Newspapers, in June, Exceeded 1929 Linage Record . . . High-lights of the Fortnight's Advertising News

Educating the Consumer

National Consumer News, which has been published in more or less experimental form for two years, will make its bow in September in expanded form as an independent monthly designed for and devoted to the interests of consumers. Crump Smith, publisher, says on the contents page, "it is unbiased, unprejudiced and points the sane approach to the solution to consumer problems."

Fundamentally, the publication is designed as a golden cord link between business and the new consumer consciousness. Where Schlink, Kallet, et al. seemingly take the attitude that manufacturers and consumers are natural enemies, *National Consumer News* is predicated on the belief that business and consumers are natural allies and that as suppliers and buyers they should be bound by mutual understanding and cooperation. The leading article in the September issue is headed "The Consumer Looks at Advertising; How Advertising Serves the Consumer." (The italics are ours.) Publication offices are at 205 East 42nd Street, New York.

NBC Plans for Television

The new NBC quarters in the Trans-Lux Building in Washington, which were offi-

cially opened on the evening of July 22, are equipped to provide television programs in the most approved fashion. Provision has been made for sight broadcasts and according to present plans the actual installation of television equipment will be one of the first in the nation.

The broadcasting companies are reticent about making definite predictions regarding the initiation of commercial television. RCA Victor is sending out daily experimental programs to a group of field observers in the New York metropolitan area.

Newspapers Had Bigger June than Even in 1929

Media Records, Inc., figures of newspaper advertising in 52 cities show that the June total of 26,198,040 lines exceeded by more than a half million the total for June, 1929. The figures in the 1930 month were less than 1 percent higher than June of this year. All classifications gained with the exception of automotive, which was down 4.1%. For the year to date total advertising is up 6.5%. Classified showed the largest gain, 12.3%, followed by general (national) 7.3%.

Esquire-Coronet Offers Stock

David A. Smart and his partners—who, up to this time, have maintained a closed corporation, have registered 150,000 shares of Esquire-Coronet, Inc., with Lawrence

Stern & Co., Inc., as the principal underwriters for the issue. The company has no funded debt and its sole capitalization consists of 500,000 shares of capital stock, of which only 150,000 are being registered now. Estimated earnings for the three months ended June 30 are \$363,522 after deduction for normal Federal income taxes, as compared with \$127,759 for the same quarter of last year.

A Bouquet of Cornflowers from House & Garden

The neatest promotion piece of the month was a Western Union-delivered box from Charles E. Whitney, advertising manager of *House & Garden*, to selected advertising prospects and agency executives and containing "a good morning gift from the garden of Mr. J. H. Weatherby, a typical (and not too mythical) reader of *House & Garden*." The box contained a professionally wrapped bouquet of cornflowers. The accompanying letter went on to talk about the Weatherbys, their home, their children, their income—and of course the Weatherbys' favorite magazine.

Commercial Movie Makes Hit in Small Towns

Several hundred country newspaper publishers have banded together to make their towns seem more attractive shopping centers to women. Merchandise is moving out of the stores of these small towns propelled by a rather extraordinary eight-reel motion picture called "The Bride Wakes Up," in which 13 branded products are woven into the life of a good-looking girl to bring happiness in what seemed to be a stormy outlook for her matrimonial voyage. The picture was produced in Hollywood by Pictorial Promotions, Inc., affiliated with Wilding Picture Productions, Inc. In small towns throughout the country the picture is being promoted by newspaper publishers who give it three showings and then ship the print on to the next town on the route.

WMCA
NEW YORK'S
OWN STATION

leads in
**PROGRAM
PLANNING**

**ANICE
IVES**

**Every woman's
Hour**

11:15 - 11:45 AM



The Gas Industry—with *McCall's*—Fights Back: A new talking motion picture, "The House That Jack Built," produced by Mason Wadsworth under the sponsorship of the American Gas Association with cooperation of *McCall's* Magazine and various manufacturers, is being used successfully by local gas companies to promote consumer interest in home and kitchen modernization with the use of gas as a fuel. The picture was produced in Hollywood with a professional cast and tells a romantic story, replete with drama and comedy, that also gets over to its audience the benefit of gas appliances in the kitchen, gas house heating and air-conditioning, gas water heating, etc.



The public views business with an attitude of inquiry and often suspicion. There is an insistent demand to know how business uses its income. Sheffield Farms is running a campaign in 233 daily and weekly newspapers to iron out public misconceptions about milk. The Bureau of Advertising of the A.N.P.A. points out, "it should be noted that Sheffield Farms did not turn to a press agent to get its story before the public. It shows the direct and businesslike method of speaking through the advertising columns."

Between April 20 and June 1 it covered 315 towns and shortly after Labor Day it will begin a schedule of nearly 1,200 towns. The film does for these small towns and its publishers what the cooking school brings to the big cities and their newspaper publishers.

New Pictorial for Foreign Newspaper Readers

The Pictorial World, Inc., about the first of October will begin issuing an eight-page rotogravure section in tabloid format as a supplement to foreign language newspapers. Sub-titles will carry English and one of four foreign languages, depending on the language of the newspaper which distributes the tabloid. The languages to be serviced are German, Italian, Jewish and Polish. Charles A. Bemant, president and general manager, was for a number of years in charge of special promotion and advertising departments of a large electrochemical foundation in Paris.

Media Notes

Edward A. Martin, formerly assistant advertising manager of Wilson & Co., Chicago, has been appointed manager of the Detroit office of the Forbes Lithograph Mfg. Co. . . . Electric Publications, Inc., Chicago, have appointed C. William Cleworth, until recently with McGraw-Hill, as manager of their two publications, *Electric Light and Power* and *Electrical Dealer*.

Allison R. Leininger, advertising director of *Parents Magazine*, has been made vice-president in charge of advertising. . . . W. Hunter Snead is leaving the sales promotion department of West Virginia Pulp & Paper Co. to become manager of promotion

AUGUST 1, 1937

What was it that the sales manager told the...



district sales managers to tell....



the salesmen to tell the jobbers...



to tell the grocers ?

WHAT the sales manager said was mighty important, but somehow it didn't sound so very important by the time the jobber's salesman got around to the grocer.

Every step along the way it lost a little—a little in fact—a little in enthusiasm. By the time it got to the end of the line it wasn't the same story at all.

But there is a way to tell grocers your story the way you want it told.

Put your message in type and pictures, and through *The Progressive Grocer* you can tell that story to 75,000 top-notch grocers without any variation in fact or enthusiasm.

The Progressive Grocer way is direct and sure.

Little wonder so many leading food manufacturers use it regularly to get their sales stories to the top grocers the way they hoped the salesmen would tell it.

The Progressive Grocer

HOME OFFICE: BUTTERICK BUILDING • 161 SIXTH AVENUE, NEW YORK
MALLERS BUILDING, CHICAGO • HOBART BUILDING, SAN FRANCISCO



Stanley A. Brown, chairman of the board of Brown & Tarcher, Inc., New York advertising agency, has been elected a director of the Aeolian Co., of New York, manufacturers of pianos.

and market research for *Electrical World*, New York. Previously he was in the advertising department of Westinghouse for three years and for eight years was sales promotion manager for the Edwin L. Weigand Co. . . . Albert N. Socolow, formerly of the local display advertising staff of the New York *American*, and John M. Murray, formerly of the advertising staff of *Esquire*, this week joined the sales staff of radio station WQXR, New York.

Agency News

Popular Brands, Inc., New York, have appointed Tracy-Locke-Dawson, Inc., as advertising counsel. The product to be promoted will be a patented scientific development for dishwashing under the brand name of POP. . . . Bennett & Snow, Inc., Boston, have been appointed to handle the complete advertising account of the George J. Kelly Co., Lynn, Mass., manufacturers of shoe polish. . . . The advertising of Breeze-Electric Corp., of Chicago, has been placed with M. Glenn Miller.

General Mills has retained Batton, Barton, Durstine & Osborn, Inc., to assist the publicity relation department of the company. The arrangement in no way affects



New Job: Stanley J. McGiveran, former assistant general sales manager of Owens-Illinois Co.'s Glass Container Division, has recently been promoted to advertising director of the parent company. He heads a new department created to coordinate advertising, publicity and sales activities of major Owens-Illinois subsidiaries.

the existing relationship of any other advertising agency. . . . BBDO has been made the advertising agency for the Laundry-Owners National Association.

Abbott Kimball has withdrawn from the firm of Kimball, Hubbard & Powell, Inc., to form his own advertising agency with offices at 250 Park Avenue, New York. . . . The Taylor-Young Airplane Co., Alliance, Ohio, has appointed McDaniel, Fisher & Spelman, Inc., Akron, as its advertising agency. . . . Advertising of the Soda King Rechargeable Syphon, manufactured by the Walter Kidde

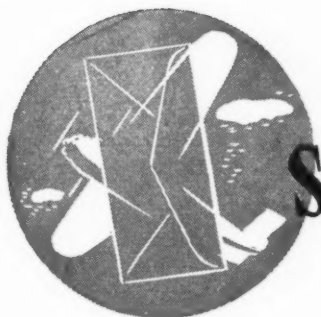
Sales Co., is being handled by the Gotham Advertising Co.

The Doyle Packing Co., Newark, has appointed Charles Dallas Reach Co., Newark. . . . Trade advertising of Raybestos brake linings and other friction products is now being handled by the Wales Advertising Co., Inc., which has placed the company's consumer advertising for some years. . . . Oakleigh R. French, Inc., St. Louis, has been appointed to handle the advertising campaign of the Monarch Metal Weather-strip Corp.

Suggested Bases for the Distribution of Estimated and Actual Selling Expenses to Sales Departments and Territories

From "Budgeting in Relation to Distribution Cost Accounting," by John G. Blocker, Published by the University of Kansas, Lawrence

ESTIMATED OR ACTUAL SELLING EXPENSE	STANDING ORDERS CHARGED	DISTRIBUTION BASE
Newspaper and magazine advertising	Branches or territories	Estimated or actual expenditures and the circulation coverage of the publications
Local radio advertising	Branches or territories	Estimated or actual expenditures in each territory
National radio advertising	Branches or territories	Population and the per capita wealth of territories covered by radio network or sales quotas
Bill board advertising	Branches or territories	Estimated or actual expenditures in each territory
Catalogs	Branches or territories	Sales quotas
Public relations, donations, etc.	Branches or territories	Sales quotas
Selling salaries	Sales departments and branches or territories	Estimated or actual salary expenditures for each division
Commissions and bonuses	Branches or territories	Estimated or actual commissions and bonuses earned by the personnel in each division.
Travelling expenses	Sales departments and branches or territories	Estimated or actual travelling expenses for the personnel in each department or territory
Shipping expenses: freight, cartage, boxes and packing supplies	Branches or territories	Estimated or actual shipping expenses for each territory or sales quota
Postage, stationery, supplies, telephone and telegraph	Sales departments and branches or territories	Estimated or actual expenditures for each division
Repairs	Sales departments and branches or territories	Estimated or actual cost of repairs for each division
Losses on bad debts	Branches or territories	Sales quotas or estimated or actual credit sales in each territory
Association dues and memberships	Branches or territories	Sales quotas
Rent of sales offices	Sales departments	Floor space
Rent of branch or territorial offices	Branches or territories	Rental charge for space used by each territory
Depreciation	Sales departments and branches or territories	Rate of depreciation and value of equipment and property used by each division
License fees	Sales departments and branches or territories	License charges on equipment used by each division
Taxes on property	Sales departments and branches or territories	Value of property used by each division
Insurance—fire	Sales departments and branches or territories	Value of property used by each division
Insurance—automobile	Sales departments and branches or territories	Estimated or actual insurance charges on automobiles used by each division



SALES LETTERS

BY MAXWELL DROKE

Original Letters, Yes! But Don't "Bust from Straining"

If this Department stands for anything—and that is perhaps a good subject for debate at the next stated meeting—well, if we stand for anything it is Originality. We're the slightly bald-headed gent with the big ears who is always to be found in the bleachers leading the cheering for the chap who Does it Differently. Provided only that he shall use a soupcon of judgment and one small to medium modicum of horse-sense in the doing.



Maxwell Droke

All of which is preliminary to the introduction of a letter which came my way last week, with this penciled notation: "There's still a place for a Department like yours, as long as guys write letters like this!" Well, here it is:

"When we think of the month of July, we are reminded of our Independence Day, July 4. That day will find all highways crowded with holiday traffic;

rivers, lakes and streams will haunt the angler and picnicker, and golf courses and baseball diamonds will be filled to capacity.

"Yet, if you will look back 162 years, you will see a picture of a different nature. A struggling group of colonies, bordering our eastern shores, were in the progress of gaining their independence from a stubborn dynasty across the sea. The first Independence Day was a much different day than the Hilarious Fourth of today.

"Just as the thirteen colonies yearned for independence in the last quarter of the eighteenth century, so you may yearn for independence from enameling cares and worries. Switch to for a carefree holiday each working day of the year."

Well, there's originality for you, my lads. Probably this is the first time in recorded history that a monograph on enameling was ever tacked onto the tag end of a Fourth of July oration. Let us hope that it may be the last. And while we're at it, I hope that if a worse sales letter is perpetrated in this year of grace, I may be spared the misery of reading it.

Discounting for a moment the execrable taste of the writer, let us dwell upon the obvious flaws, from a sales point of view. Our writer was obviously striving for a timely touch, and as Grandma used to say, "he stretched his blanket a mite too far." In fact, he just about tore it to tatters.

This is one of those not infrequent cases where even if the job had been well done, it simply wasn't worth doing. Any possible tie-up between Independence Day and

the enameling business would, to say the least, be a bit far-fetched.

But on one point I must give the writer credit: I wouldn't have believed it possible to crowd so many colorless commonplaces into two brief paragraphs! As a collector of cliches this lad has a brilliant future. But I suggest that he be transferred from the Correspondence Division forthwith.

Here's Proof That Check-ups of Mailing Lists Do Pay

Rather frequently the question arises as to whether it really pays to send out those "check-up" forms, asking for mailing-list corrections. I've always felt that such forms were worth all they cost, especially if they were given some novel, attention-arresting twist. I'm glad, now, to be able to submit some rather convincing statistics.

Dan Jacobs, sales promotion manager of the Seaman-Patrick Paper Co., of Detroit, recently sent out two such forms—an original double post card and a follow-up. Here's what happened:

Card No. 1 went to 1,650 names and produced 722 responses, or 44%. Even more significant is the fact that 33% of the replies showed the mailing list to be incorrect in some particular.

After making all corrections as noted up to the time of mailing, a second card was addressed to 1,436 names. This time replies were received from 532 persons, or 37%. Of these, 18% specified corrections. In other words, the two mailings brought replies from approximately three-fourths of the names addressed. An excellent record, indeed. Note, also, the astonishing number of corrections. And probably Seaman-Patrick, in common with a good many of us, believed that their list was in pretty good shape!

Reciprocal Buying Requests Demand Tact and Restraint

I think the normal attitude of business men is that, all things being equal, we should patronize those who patronize us. This is sound common sense, and in the American spirit of fair play. But purchasing agents sometimes grow careless in this respect, and an occasional tactful reminder may not be amiss. Such a practice, however, is as the pontifical press puts it, "fraught with danger." Take a belligerent "you-owe-us-your-business" attitude and you are likely to antagonize more suppliers than you will win over.

Here's a recent reciprocal letter, interesting because it goes a step farther and suggests enlisting the cooperation of employees of a supplier. The letter is from Schult Trailers, Inc., and Maurice Volkman, of the sales department, tells me it received "a nice response":

"Gentlemen:

"Automobiles — airplanes — yachts —

and now trailer homes. Probably but few of your organization would be interested in buying a yacht, but we believe many are trailer conscious. We would like to have them Schult trailer conscious. How many of your organization know that a portion of their job is dependent upon the success of Schult trailers?

"May we suggest that you post the enclosed copies of this letter in noticeable locations for the purpose merely of calling their attention to the fact that if they are interested in purchasing a trailer, they give consideration and investigation to Schult Trailers. Even as we tell our people why we use your product in preference to others.

"Consider the fact that in a short time Schult trailers have become the world's largest manufacturers of popular-priced trailer homes. This indicates we are not requesting that you consider a product of inferior quality. On the contrary, this position has been attained by giving the customer the utmost in value at a price made possible only by Schult modern production methods.

"Catalogs will be sent free upon request. May we have your support in this respect?"

The P. O. Will Not Shepherd Mis-branded, 3rd Class Lambs

I have just read that the Directory Service at one large city alone costs the Post Office Department more than \$500 a day. And obsolete mailing lists account for a good share of this!

When you bear in mind that the great bulk of undeliverable mail—circulars dispatched under the Third Class rate—receive no directory service, you can begin to appreciate the importance of keeping your lists up to date. Just because your First Class mail "gets through" eventually to the firm or individual to whom it is addressed, there is no reason to assume that your circular mailings will be equally favored. If a circular is tossed out by the first sorter, because of inaccurate address, it's ten to one it will wind up in the paper baler.

The National Council of Business Mail Users estimates that about 9,500,000 undeliverable letters were received last year by the Post Office Department, and 430,000 undeliverable parcels. That's an average of 30,000 a day!

* * *

I am among those who are mildly annoyed by the printing of foreign names in this manner: "Chaille (pronounced 'Shall-lay')." Isn't this a much better handling of what is admittedly a tough problem:

"Your decision to try 'Beaulieu' ('Bowl-You') Vineyard' wines will convince you. . . ."

Surely anyone above the grade of moron will gather that our intention here is to aid in a ready pronunciation, yet we avoid the objectionable didactic touch.



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Sell Your Industry to the Farmer—a Friend in Court

Here is another—and an excellent—book about the farmer, his numbers and his influence in the land—hence his importance to industry which would sell goods to him. "A Friend in Court," published by *Country Home* (Crowell), is one of those triumphs of type and paper, beautifully printed, and telling a powerful story briefly. Homely examples of the farmer's importance as an individual are brought out through comparing him with the city chap. Do you, for example, know your Congressman—or even his name? Your Representative? Nearly any up-and-coming farmer can qualify on that question. Hence the power of the farmer in Washington, in Albany, in St. Paul. Maps showing the predominantly rural counties of the U. S. clinch that point,

if clinching is needed. How the farm vote dealt with chain store tax legislation in California last November—after a vigorous advertising campaign—is told, in case you have forgotten that recent classic. The subject matter covers a much broader field than merely the market for commodities which farm families represent—it goes deeper to the underlying importance to any industry of selling the company as an institution as well as selling the product. And it says much about the farmer, little about *Country Home*. An expensive book, available to key executives—and decidedly worth while. Requests to Malcolm Smith, Crowell Publishing Co., 250 Park Avenue, New York City.

Advertising Geared to Every Market Sponsored by Criterion

Here is a book on markets—neighborhood shopping centers—made to order for sales executives. Promoting the use of Criterion poster displays, it is essentially an analysis of the "neighborhood" markets of the U. S., illustrated further by examples of how such poster service is being used to cut distribution waste and solve specific problems of sales. It isn't news to any sales executive, of course, that cities consist of many and different kinds of shopping centers. This book, "Market Coverage by Neighborhoods," is not an analysis of these differences, but rather an appraisal of the number of posters required to do a standard "neighborhood" coverage job, supplemented by data on the number of food stores, drug stores and population of important markets. Towns shown range from 1,000 population up to New York City with its suburban markets (itemized). With a service flexible

in the extreme, permitting advertisers to use practically any combination or number of positions required for each distribution problem, varieties of uses illustrated include cooperative displays bearing individual dealer's imprints; selection of "neighborhood" markets by nationality and industry to fit special products, including special displays in bi-lingual cities like Montreal. The analysis of towns and cities includes all states in the U. S. and the provinces of Canada. For copies, which are available to sales and advertising executives, send requests to Harold Reynolds, Criterion Advertising Co., Inc., 420 Lexington Avenue, New York City.

How to Help Salesmen Get Better-than-Average Results

Ever think of the job of a railroad ticket office man as *selling*? Neither had we—we always ask for our ticket and never experience any sensation of sales pressure. Yet Trade-Ways, who take nothing for granted when any sort of sale is made and money is exchanged for its equivalent, observed that of four men in one ticket office, handling telephone calls, one consistently turned 59% of his calls into reservations—the other three averaged 35%. Why he was able to do a better-than-average job is just one of a number of similar experiences quoted in a booklet dealing with the measurement of selling methods. In short, "Measured Selling Methods" is a pocket-size booklet every sales executive should have. It is chock full of illustrations of the value of determining those factors, or sales points, which produce greatest business. It stimulates consideration of those simple factors which will help most salesmen do a better-than-average job. Available on request to W. H. Lough, Trade-Ways, Inc., 285 Madison Avenue, New York City.

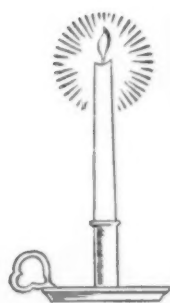
Food Market via the Comics

Sales and advertising men who are keeping tabs on the influence of comics in modern advertising should get the recent study on the family food market published by the Dell Comic Group. Arriving at the figure 9,361,260 as the number of families (53,265,569 people), by a series of graphic charts deducting in several steps families having low income, and childless families, and men or women living alone, the study goes on to the point that the Dell Comic magazines, appealing primarily to children, guarantee effectiveness in the primary food market—the families with children and adequate income. Brief but to the particular point. Requests to Alex Stewart, Dell Publishing Co., 149 Madison Avenue, New York City. Ask for "Where Is the Heart of the Food Market?"

Store Display Service Now Available to Food Advertisers

Most recent factor in the merchandising field, a new organization comes into the picture advocating—and setting up a service to sell—"Concentration at Point of Sale." That, in short, is the title of a detailed book published by Point of Sale, Inc., about a service which aims to secure space for manufacturers' display advertising and provide every form of advertising tie-up inside the store, at the point of sale. Probably most executives in the food field have received the book, but for any who have not we suggest it as a timely tip on a method of last-step cooperation which sets out to do for the dealer and the manufacturer what has been done for the consumer and the manufacturer in the well-organized

TO A MIDNIGHT-OIL BURNING Account Executive



T. B. C. You'll be sweating over that new tire company campaign these next few hot Summer months, and commuting to Rye every evening won't be too pleasant.

Check in at The Shelton and enjoy hot weather comforts such as a swimming pool, roof terrace, solarium, gym, restful library and a cool room high above the city. No extra charge for these features. The Shelton is near your office . . . any way you approach it.

Special Weekly Rates . . . Daily from \$3

SHELTON HOTEL

LEXINGTON AVENUE AT 49th STREET • NEW YORK

media fields. Space does not permit a detailed description of the very complete study. Suffice it to say that the service involves all necessary market analysis and reporting and auditing of store displays by Ross Federal Research Co., display service by Display Creators, Inc., and space contracted for in windows and store interiors in chain stores, voluntary co-ops and independents by Point of Sale, Inc. Send to Karl F. Moore, Point of Sale, Inc., 6 East 45th Street, New York City.

"Your Michigan Market" Shows Soaring Buying Power There

Among the spending power indices cited by the Booth (Michigan) Newspapers on the greatly increased marketing activity of that state are (1) annual Michigan family expenditures 50% above the national average; (2) more automobiles than in 1929; (3) a 72% increase in income tax returns, 1936; (4) annual income from oil and gas, \$60,000,000; (5) a building boom equaled only by that of the early twenties. These and many other important indices to the market are thoroughly covered, and illustrated with maps and graphs, in the 1937 "Your Michigan Market." Retail sales, outlets, and other data are given, together with newspaper circulation and lineage figures, for Grand Rapids, Flint, Saginaw, Kalamazoo, Jackson, Bay City, Muskegon and Ann Arbor. For copies of this, one of the fine annual market studies, address I. A. Klein, 50 E. 42nd St., New York City; or John E. Lutz, 435 N. Michigan Ave., Chicago, Ill.

Robinson-Patman Symposium

"Price Discrimination and Price Cutting" is the timely subject of the 419-page June quarterly edition of *Law and Contemporary Problems*, published by the Duke University School of Law. Citing the Robinson-Patman Act and the Fair Trade and Unfair Practices Acts in 40 states as evidence of probably permanent control in some form of price competition, the symposium deals with the general problems of economic and legal complications arising from this wave of legislation. It is not a handbook of what to do, or not to do, under the acts. Nine articles, the authors including M. P. McNair, Harvard; Wroe Alderson, Curtis Publishing Co.; Edwin B. George, Dun & Bradstreet; and including a proposed revision of the Robinson-Patman Act prepared by Prof. McNair. Price 75 cents, or \$2 for yearly subscription. Orders to David F. Cavers, Duke University School of Law, Durham, N. C.

Tips on Film Scenarios

For any executive contemplating the use of film-ads, those short talking pictures merchandising a commodity from theatre screens directly to the consumer, a valuable booklet has recently been published, entitled "Scenarios." According to the foreword by J. Don Alexander, "given the right kind of film treatment, there is not a commodity that cannot be presented interestingly from the screen. The job calls for showmanship and merchandising ability." In 44 condensed pages, closely packed with suggestions, the Alexander Film Co. passes along to advertisers its boiled down experience secured in 18 years of producing nearly 100,000 screen advertising campaigns. The tips on technique, illustrated by pictures from current films, cannot help but give valuable "do's" as well as "don'ts." Requests should be sent to J. Don Alexander, Alexander Film Co., Colorado Springs, Colo.

The 1937 Answer to R. H. Macy & Co.

(Continued from page 47)

testimony, one might expect Macy's to be enthusiastic boosters for the Fair Trade Law which wrought this change, so compatible with their avowed aims.

In conclusion I submit that the Macy campaign against price maintenance is not the worthy public effort that it purports to be but is of a piece with their long history. It is a species of economic demagoguery better calculated to mislead than to enlighten. It would be a simple matter to expose its unsoundness if there were anyone interested enough to spend a fraction of the money being spent against the Fair Trade laws by Macy's.

I rest my case on these propositions: Macy's long record of general underselling claims has always been

untenable in reason and undemonstrated in fact.

Their claimed ability to undersell on the ground of economical operation does not appear to be supported by ascertainable facts or borne out by the profits they exact on their own brands according to the testimony of their president.

Their present campaign seems to be but a continuation of their past and to convey unwarranted impressions to the lay public.

It would be a calamity if such an effort were to succeed in influencing public opinion importantly or were to dissuade manufacturers from doing what they otherwise would do. The legislatures of 41 states have passed Fair Trade laws and the judgment of our highest court has upheld them. I say that one store should not weigh heavily against the action of many more states than would be required to ratify a constitutional amendment.

Personal Service and Supplies

Cash Basis Only. Remittance Must Accompany Order.

Classified Rates: 50c a line of seven words, minimum \$3.00. No display.

EXECUTIVES WANTED

SALARIED POSITIONS, \$2,500 to \$26,000. This thoroughly organized advertising service of 27 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance for moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

HELP WANTED

SALESMAN — MEEKER-MADE NATIONALLY known advertising and premium leather specialties and metal signs offer you an opportunity for real earnings this Fall. For full particulars on territories now open, address Adv. Dept. The Meeker Co., Inc., Joplin, Mo.

A LEADING MANUFACTURER OF commercial trailers, specializing in building and equipment of merchandising coaches and assisting customers in planning operating methods and merchandising applications, has unusual opportunity for several unusual salesmen. No salaries—strictly a generous commission arrangement in protected territories. Able men, qualified to present an interesting but somewhat complicated sales proposition to big men, who can support themselves during a three to six month breaking-in period, will have in return valuable franchise with all cooperation of the manufacturing organization. Obviously this ad is directed to a very limited group of men. Send inquiries, which will be handled in confidence, in care of Box 543, SALES MANAGEMENT, 420 Lexington Avenue, New York City.

PHOTO OFFSET

PLANOGRAPH Offset Users: Set display type like printer—in composing stick—with FOTOTYPE cardboard letters. Save composition on paste-ups. Write for folder. Fototype, 625 West Washington, Chicago.

POSITION WANTED

YOUNG MAN NOW EMPLOYED, AGE 29, with 8 years' experience as territorial merchandiser, field advertising manager and sales promotion in the food line desires permanent position with reliable concern. Familiar with retail and wholesale grocery trade. Will locate anywhere. Box 545, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

WHAT ABOUT CANADA?

Do you need representation in Canada? Advertiser, whose experience qualifies him for position of Sales or Branch Manager, is located in center of Canada's industrial section; nineteen years' selling and sales supervising: Hardware Specialties, Metals, Wire Products, Machinery and Supplies, Engineering Equipment, etc. British and Continental importing experience. Age 37.

His practical work as salesman and in sales management is supported by intensive study of sales management principles and markets. Thorough grounding in marketing problems. Interview requested, without obligation to you. Box 546, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

SALES EXECUTIVE, TECHNICALLY TRAINED in wholesale and retail distribution of auto supply and food products. Age 31, now employed. College and Graduate School education. Wants connection as Assistant Sales Manager or large retail Store Manager. Enviably record and references. Prefers Eastern Division. Box 544, SALES MANAGEMENT, 420 Lexington Avenue, New York City.

RESPONSIBLE POSITIONS

OUR STRICTLY CONFIDENTIAL AND PERSONAL method conducts negotiations for high-grade positions. Each case prepared and executed separately. Employment and identity protected. Moderate cost. If you have earned over \$2,400 yr. write Dept. G, Craig & Gravatt, Schaff Bldg., Philadelphia, Pa.

COMMENT

BY RAY BILL



FAIR TRADE LAW SURVEYS: The drug industry has decided to undertake a survey to determine the effect of the Feld-Crawford Act on retail prices of drugs, cosmetics and toilet goods. Retailers will cooperate through the New York State Pharmaceutical Association and manufacturers and wholesalers are also expected to participate. A special committee is to be set up to work out details of the investigation, this committee probably to be headed by a prominent economist.

The proponents of price maintenance and the Fair Trade Act of the Empire State are growing more and more irked by statements made in public addresses and in paid advertisements to the effect that the Feld-Crawford Act has increased retail prices sharply. Undoubtedly much can be said by way of debate on this phase of fair trade laws now in force in a large majority of the states. Undoubtedly, too, legislation along such lines will require quite a few years of evolution in which to arrive at that degree of perfection which is essential to permanent approval of both business and the consuming public. Meanwhile, widespread discussion is to be welcomed rather than feared and factual surveys on how the individual laws are working out in actual practice should be widely encouraged. Here's hoping more states will follow the lead of New York as regards surveying retailers, wholesalers and manufacturers, and here's hoping that in each case such surveys will be conducted with the kind of integrity and competence that brooks no prejudice, partisanship or mere surface skimming.

F. O.B. BECOMES AN ISSUE: The Federal Trade Commission has recently issued complaints against General Motors and Ford charging the use of false and misleading representations in advertising the prices at which certain of their passenger cars are sold to the public. In the complaint it is alleged that advertisements of these companies contain illustrations or descriptions of motor cars featuring unusually enlarged numerals which designate f.o.b. prices and that material in these advertisements is arranged in such a manner as to create the impression that fully equipped cars so illustrated and described may be purchased at the f.o.b. or delivery point complete and ready for operation at the prices featured, or, at other points, plus the cost of transportation.

The complaints further aver that the cars so advertised

are not the models usually sold for the featured price—that the cars so illustrated or described cannot be purchased at retail for the featured price at the f.o.b. or delivery point without the payment of additional charges for added equipment and accessories, constituting what the public understands to be the complete car ready for operation. Exception is also taken to the practice of putting additional charges in such fine type as to be almost totally obscured by the large type for figures featuring the f.o.b. price.

Undoubtedly, the keen competition which exists in the motor car field has caused some motor car advertising to outdo not only what the Federal Trade Commission deems to be proper and legal, but the tenets of what constitutes good business in consumer relations. Fortunately, to the extent mistakes may have been made, corrections can be easily made—and undoubtedly will be made. We wonder, however, if the motor industry is the only one which has been attempting to draw customers through presentations which are not typical of what actually obtains in day-to-day selling on the retail firing-line. We suspect that quite a few other industries might well put their houses in order, on a voluntary basis, before any complaints are made.

LA GUARDIA AGAIN BECOMES SALESMAN: Very few mayors throughout the United States can make much of a showing with Mayor F. H. La Guardia of New York when it comes to vivacious selling of this, that and the other thing.

Mayor La Guardia recently attended the signing of a fair trade code to end "chiseling" in the millinery industry. His comments on this occasion smack of the cooperation between government and business which has long been an outstanding policy of such countries as Germany and England. Here is what he said in part:

The millinery industry in this country has taken away the style, beauty, chic, elegance and design of hat-making from all other nations. If our women want to be in style they had better buy a hat made in New York. They should all look for the label showing that the hat was made in this area. Then they can have the further satisfaction of knowing it was made under sanitary conditions by well-paid workers.

Thus we find a mayor turning star salesman for a product made in his community—and a salesman not only stressing superior quality and style, but also the new public relations phase of goods having been made in accordance with socially proper wage scales and working conditions.



CRITIC ON THE HEARTH?

*Today, American Business must
meet its critics man to man*

TO paraphrase an old Irish saying, "A worker in the shop is a critic on the hearth." Today, as never before, American business must meet its critics man to man, in the frankest, friendliest manner.

In no way can this be done so simply, directly, and effectively as through radio. For in a man's home, on his own hearth, he is under compulsion to no word save that of his own choosing. Over his radio, your story suffers from no distractions, no visual presence. Only his ear is engaged—and his imagination.

To your man's imagination, the only limit of flight is that imposed by the story you have to tell. In the mysterious theatre of his mind, your story burns and *lives*—oblivious to surroundings. No other medium is so perfect for completing the perfect understanding.

Today, in millions of homes, millions of critics are being won to a sympathetic understanding of America's Business Aims through the use of NBC Networks. The facts are available to business through NBC representation—*everywhere*.

RCA presents the "Magic Key of RCA" every Sunday, 2 to 3 P. M., E. D. S. T., on the NBC Blue Network

NATIONAL BROADCASTING COMPANY

A Radio Corporation of America Service



Why does an apple fall?



The story of man's progress is sprinkled with question marks. For the people who get ahead in the world are always asking:

"Who?"

"What?"

"When?"

"Where?"

"How?"

"Why?"

Today they want to know—and want to remember—everything important that happens everywhere.

They turn to TIME. TIME gets all the news of the world into their heads and makes it stick. That's why TIME is so important to its readers.

People curious about the whole world are curious too about the things that touch their daily lives: the things they want to buy. They want facts and they want reasons. Telling them in TIME is the way to sell them.

TIME
The Weekly Newsmagazine